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QIUSHI, SEEKING TRUTH]
No 22, 16 November 1989

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Reach a Common Understanding, Strengthen Confidence, and Do a Good Job in Improving and Rectifying the Economy and Deepening Reform

HK1812081189 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 22, 16 Nov 89 pp 8-10

[Editorial]

[Text] The 5th Plenary Session of the 13th CPC Central Committee, which is of paramount significance, has come to a triumphant close.

The session truly carried out the ideological line of seeking truth from facts, profoundly studied a series of major problems in China's economy, and adopted, after drawing on collective wisdom and absorbing all useful ideas, the "Decision by the CPC Central Committee on Further Improving the Economic Environment, Rectifying the Economic Order, and Deepening the Reform." The "Decision" scientifically analyzed the current economic situation and showed us the goals and the way to continue advancing. It is an important document for unifying the thinking of the whole party and the people of the whole country, strengthening people's confidence in overcoming difficulties, and guiding us to win still greater victories.

The session studied and passed the "Decision by the 5th Plenary Session of the 13th CPC Central Committee on Approving Comrade Deng Xiaoping's Resignation from Chairmanship of the CPC Central Military Commission." The session, after repeated deliberations, decided to appoint Comrade Jiang Zemin as chairman of the CPC Central Military Commission, Comrade Yang Shangkun as its first vice chairman, Comrade Liu Huaiqing as its vice chairman, and Comrade Yang Baibing as

its secretary general; and it added Comrade Yang Baibing to the CPC Central Committee Secretariat. Comrade Deng Xiaoping, a great proletarian revolutionary with broad vision, proceeding from the party's and nation's basic interests, resigned from his last post while still in good health, realizing his long-cherished wish, which he had repeatedly mentioned for many years past, of completely withdrawing from the leading post. The session set a high value on the outstanding contributions Comrade Deng Xiaoping made to our party and our country and paid lofty tribute to him for setting an example in person by abolishing lifelong tenure for cadres in leading posts. The whole party must conscientiously study Comrade Deng Xiaoping's works so that the series of viewpoints and theories he put forward under the principle of integrating Marxism-Leninism with China's actual conditions, and the fundamental theory of building socialism with Chinese characteristics in particular, will play an important guiding part in the great process of China's socialist modernization.

The current overall economic situation is good. After the 3d Plenary Session of the 11th CPC Central Committee, the whole party and the whole country shifted the heart of work to economic construction. The decadelong hard struggle has boosted industrial and agricultural production and construction in all fields to a new level, considerably built up China's economic forces, markedly improved the people's livelihood, and scored tremendous achievements which are universally acknowledged. The policy of improving the economic environment, rectifying the economic order, and deepening the reform carried out since last year has begun to cool down the overheated economy we have witnessed over the last few years; the issuing of banknotes and credit volume have been brought under control; the momentum of inflated investment in fixed assets and inflated consumption funds has slowed down; and prices have tended to stabilize. Economic improvement and rectification have gained initial results.

But we must realize that the current economic situation confronting us is still quite grim. The glaring problems are: Society-wide investment in fixed assets remains excessive, although it has been reduced; consumption funds are growing too rapidly; inflation remains serious; the industrial structure remains irrational, and this problem is far from settled; and economic chaos is still there. All these difficulties, which can be found nationwide, have not been created within 1 or 2 years or cropped up suddenly. They were gradually accumulated over a long period, especially since 1984. If we do not resolutely take effective measures to solve them as soon as possible, the sustained, stable, and coordinated development of China's national economy will be out of the question and our goal of becoming comparatively better off by the end of this century, and taking our place in the world as a moderately developed country by the 2050's, will come to nothing.

We should avoid two kinds of one-sidedness on the question of how to deal with the economic situation. The

first is being unable to see favorable conditions, believing that the economic situation is totally dark, and thus becoming inert because of fear and pessimism. This view and attitude is wrong. It should be said that we enjoy favorable conditions that are quite apparent. The party's basic line and general and specific policies are given wholehearted support by the people of the country; the economic improvement and rectification have achieved initial results; we have won a victory in checking the turmoil and putting down the counterrevolutionary rebellion; the party Central Committee specially appointed a leading collective of the new generation headed by Comrade Jiang Zemin after we quelled the counterrevolutionary rebellion; and a new political situation has emerged under which comrades of the whole party further reach common understanding and further close ranks. In addition, we have built up our material forces through many years of struggle. This is what had already been achieved and with which we can continue to march ahead. The other one-sidedness is failure to take difficulties seriously, thus becoming overoptimistic. This is also very harmful. Both kinds of one-sidedness are disadvantageous to our efforts to overcome difficulties and make bigger progress. The correct attitude should be to understand the difficulties as they really are while adequately affirming achievements. Understanding the difficulties as they really are is to seek practical ways and means to overcome them with the support of the broad masses, instead of being cowed by the difficulties.

After correctly analyzing the economic situation, the "Decision" suggests accomplishing the economic improvement and rectification in 3 years or longer. This is the basic way to overcome the current economic difficulties and realize sustained, stable, and coordinated development of the economy. It is very important to improve economic environment and rectify economic order to stabilize the economy. Economics is the base and politics is the concentrated expression of economics. If the economy remains unstable for a long time, the political stability will lack a solid foundation. The whole party, in particular the party's senior and midlevel cadres, must correctly understand and handle the dialectical relations between the two.

During the economic improvement and rectification we must curtail the scope of capital construction, readjust the investment and industrial structures, and further expand agriculture. We must strengthen basic industry, the raw and processed materials industry, energy industry, and transport industry; reduce ordinary processing industries and nonproductive industries; limit the overgrowth of consumption funds; greatly decrease inflation rates; eliminate the expansion of money supply beyond economic limits as soon as possible; gradually eliminate the budget deficit; and basically realize a balance between total supply and total demand. Industrial and agricultural production should maintain a reasonable growth rate instead of striving for unrealistic targets. It is necessary to guard against overanxiety for

quick results and to set the economic work on a course of taking improvement of economic returns as the central task. It is necessary to further carry out and improve various reform measures and gradually set up a macroeconomic control system that conforms to the principle of the synthesis of a planned economy and market adjustments through a combined use of economic, executive, and legal means. Enterprises should rely upon themselves to overcome difficulties, bring all potential into full play, do a good job in improving management and raising technological levels, and make great effort to improve product quality, increase product variety, cut down on consumption of raw materials, reduce production costs, and improve economic returns. The economic improvement and rectification is, on the whole, aimed at extricating China from the present predicament and creating favorable conditions for sustained, stable, and coordinated development of the economy during the 1990's.

To do a good job in the economic improvement and rectification we must strengthen the concept of overall interests, advocate that the interests of the part must be subordinate to those of the whole, that immediate interests must be subordinate to long-term interests, and that individual interests must be subordinate to those of the collectives. In the past few years there has been some undue and serious bias in handling the relationship of interests among various quarters: Stressing the interests of the part more than those of the whole, stressing immediate interests more than long-term interests, and stressing individual interests more than those of the collective. In handling problems, some localities, departments, and enterprises gave priority to partial interests instead of those of the whole, stressed immediate interests instead of long-term interests, and even went so far as to harm the overall long-term interests in exchange for their own interests. This is an important reason for unbalanced proportions among different branches of the economy and it brings chaos to the economy. It will be difficult to bring about a proportionate development of the economy and to end economic chaos if, in our guiding thought, we fail to correctly understand the relationship between partial interests and those of the whole and if we fail to handle this relationship correctly in practice.

Because ours is a big country, we must take into account the interests of all quarters in building socialism and must carry out construction in a planned way in light of the objective requirement of proportionate development of the national economy. To conscientiously follow the requirement of developing the national economy in a proportionate way is an important expression of the superiority of the socialist system. To bring the superiority of the socialist system into full play it is necessary to correctly handle the relationship between the part and the whole. Dispersing strength and disregarding the whole will infringe not only on overall interests but also on partial interests in the end. During the economic improvement and rectification we must give greater

priority to the overall interests, stress moderate centralization, and stress the seriousness of the plan, while giving due consideration to partial, immediate, and individual interests. It is necessary to give up some partial, immediate, and individual interests in favor of overall, long-term, and collective interests. It is not permitted to stress partial interests at the expense of overall interests.

There should be both advances and retreats, both guarantees and restrictions, and some projects should be strengthened while others are discarded in improving the economic environment, rectifying the economic order, and straightening out economic relations. Restricting and discarding some projects undoubtedly means losses or even pain for certain quarters and certain parts but will do good for the national economy as a whole, because, without such retreats, we would be unable to curtail excessive total social demand, readjust the industrial structure, improve the economic order, which is in great chaos, improve economic returns, bring inflation and price increases, which are of popular concern, under control, prevent the economy from being caught in a vicious circle, and consolidate and develop the fruits of reforms. We must, in the fundamental interest of our country, concentrate our efforts on setting up, protecting, and developing those projects that should be set up, protected, and developed; on the other hand, we must be determined in reducing and discarding those projects that should be reduced and discarded. We must part resolutely with what we have treasured and no hesitation is allowed. Retreats may enable us to advance more rapidly. We should restrict some unnecessary projects or those projects that we temporarily lack the necessary conditions to develop. In this way we can guarantee the development of projects that should be developed and that require our concentrated efforts to develop. This is the dialectics of the development of things.

To do a good job in economic improvement and rectification we must also correctly understand the relationship between that and deepening the reform. Some comrades lack due understanding of the necessity and urgency of economic improvement and rectification. They are worried that economic improvement and rectification will adversely affect the deepening of reforms. This worry is unnecessary because we make a point of improving the economic environment and straightening out the economic order, while adhering to the general direction of reform and opening to the outside world. Practice has taught us that reform requires a comparatively stable and coordinated economic environment. It will be difficult to deepen reform and to achieve the expected results if the principle is ignored. To improve the economic environment and rectify economic order is aimed at solving current economic problems and creating the necessary conditions for deepening reform. At the same time, during the period of economic improvement and rectification, our general guiding principle is to maintain the stability and continuity of reform policies

and measures that have been promulgated, uphold the correct ones, supplement what is insufficient, and improve what should be improved. This in itself is implementing the spirit of the reform and open policies and carrying out practical actions of reform and opening to the outside world. Therefore, improving the economic environment and rectifying economic order and deepening reform do not contradict, but complement, each other. In this sense, adopting a passive attitude toward economic improvement and rectification amounts to adopting a passive attitude toward the reform.

We must strengthen party leadership to do a good job in economic improvement and rectification. This is a political guarantee for carrying out the task of improving the economic environment and rectifying economic order. Party organizations at all levels, particularly those of economic departments, enterprises, and rural areas, should give full play to their role as fighting bastions, proceed from the overall interests of the state, earnestly implement the CPC Central Committee's policies on improving the economic environment and rectifying economic order, and ensure that this work is carried out smoothly. The masses of party members and party cadres, particularly leading cadres, must serve the people heart and soul, work hard, forge close ties to the masses, step forward to bear hardships, be the last to enjoy benefits, sincerely improve their style of thinking and work, set an example by uniting the people of all nationalities throughout the country, actively participate in improving the economic environment, rectifying economic order, and deepening the reform, and contribute to advancing China's socialist modernization. As the economic improvement and rectification affect the interests of all quarters, we have to solve all sorts of ideological problems that some people will inevitably have as well as new difficulties in our work. The whole party must exert great efforts to do ideological and political work properly, vigorously discover and solve problems, arouse the masses' consciousness, value the initiative of the masses, arouse the masses' enthusiasm and creativeness, and work together with the masses to overcome difficulties. It is necessary to carry out education in upholding the four cardinal principles and the struggle against bourgeois liberalization for a long time. It is necessary to further bring patriotism into play, to hold onto the principle of self-reliance and building up the country through thrift and hard work, and be determined to lead a thrifty life for several years. It is necessary to continue adopting drastic measures to remove obstructions, hold all kinds of corruption in check, and restore and develop the party's flesh-and-blood ties to the masses of the people. We are firmly convinced that so long as the whole party and the people of all nationalities throughout the country closely unite around the party Central Committee, with Comrade Jiang Zemin as its core, seek unity of thinking, act in unison, work with a will to make the country strong, and adhere to the principle of building our country through plain living and persistent hard work, we will certainly get over the present temporary difficulties, realize the

strategic target of quadrupling the gross national product by the end of this century, and advance the great cause of building socialism with Chinese characteristics.

An Important Policy Decision on Ensuring Long-Term Steady Development of the National Economy

HK2012070989 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 22, 16 Nov 89 pp 11-14, 18

[Article by Fang Weizhong (2075 4850 0022)]

[Text] The 5th Plenary Session of the 13th CPC Central Committee comprehensively and correctly analyzed the contemporary economic situation in China, decided that we should further rectify, consolidate, and intensify reforms, and pointed out the basic method for putting an end to the poverty-stricken state, and for stabilizing and coordinating development. The plenary session made such sound analysis in a thorough and down-to-earth manner, and formulated unswerving, effective, and feasible policies. We must profoundly understand and resolutely act in the spirit of the plenary session, and implement the general principles of the CPC Central Committee in actual work and actions.

I. We Should Insist on Unswervingly Handling the Rectification, Consolidation, and Must Not Give Up Halfway

In September 1988, the 3d Plenary Session of the 13th CPC Central Committee determined to rectify and consolidate the national economy. This was absolutely correct.

After exerting efforts for more than a year, we have already obtained preliminary results in rectification and consolidation. The excessively high industrial growth rate has dropped noticeably. Fairly good harvests have been reaped in agriculture. The scale of investments in fixed assets has been controlled. The price increases have slowed with each passing month. More currency has been withdrawn from circulation. Generally speaking, the whole economic situation is changing for the better since we adopted a series of policies and measures to control supply and demand and readjust the economic structure. However, we have not eliminated the major factors that brought instability to the economy, and our economic difficulties are not yet over. This is the actual situation which we are facing.

Our current economic difficulties are prominently shown by serious inflation and sharp price increases. Inflation will not only bring about confusion and fluctuations in economic life, but will also bring about heavy losses to the whole economy and people's livelihood, and bring instability to the whole society. We must promptly get rid of the dilemma brought by inflation and get out of this mire. To achieve a long-term, continuous, steady, and coordinated economic development, our major task at present is to gradually get rid of this evil, namely, inflation.

Inflation is a comprehensive manifestation of various contradictions and problems in our economy in recent years. First, there was an overheated economy, in which the scale of investment in fixed assets expanded rapidly, consumption demand grew too fast, and society's aggregate demand was excessively more than aggregate supply. To a certain extent, the growth in the aggregate demand of society was supported by excessive distribution in the national economy. Such excessive distribution inevitably brought about inflation. Second, the composition of the economy was distorted, and the proportion of major economic sectors was dislocated. The production growth of major agricultural products such as grain and cotton became stagnant for successive years, while the development speed of industry was too rapid. In the industrial sector, the capability to supply energy, raw materials, and transportation could not maintain an excessively expanded processing industry. The supply-demand gap in fundamental industries was so wide that the price rose like a rocket. Third, the economic mechanism was irrational, economic order was chaotic, and the economic results of production, circulation, construction, and other areas were poor. These also brought about a price increase and inflation. It was thus very difficult to solve these profound problems that had accumulated over the years. Therefore, the task of rectifying inflation is very arduous and complicated. We can realize this only by making unswerving efforts.

In the course of rectification and consolidation, it is inevitable that we will face new contradictions and problems. To rectify inflation, we need to pay the cost and suffer temporary pains. It is impractical to wish for the realization of such a goal at no cost. Recently, there are worries in society about sales sagging while industrial production drops excessively. Have we overdone anything in the rectification and consolidation? Will there be stagflation, which will lead us to even greater difficulties? Our determination of and confidence in further rectification and consolidation may be adversely affected if we do not solve problems concerning the understanding of this issue.

We should specifically analyze the new situation and new problems we are facing. Some problems are the further development of the hidden contradictions that started to crop up several years ago, while others inevitably emerge in certain stages in the rectification and consolidation. Of course, we might reduce the negative effects if we handled the work in a better way. We should not observe the economic situation for just a few months, nor should we watch superficial and partial phenomena. Generally speaking, some of the new situations that have cropped up in our economic life reflect the results of rectification and consolidation. We should actively adopt effective measures to solve newly emergent problems, and under no circumstances should we hesitate and become doubtful about the policy of rectification and consolidation. We must draw lessons from the experience of 1986 and 1987 when we gave up at the

halfway point on our efforts to enforce the policy of austerity. Then, we had just started the austerity program and were worried too much about the drop in industrial production. Consequently, we abandoned the policy of austerity, so that the economy became heated and inflation sharpened. Therefore, in the course of the current rectification and consolidation, when we are faced with some difficulties and problems, we must face such difficulties and problems calmly, analyze them carefully, and deal with each case on its merits. Under no circumstances should we retreat in the face of difficulties or repeat the same mistake, that is, to "cry for relaxation whenever things intensify."

Will our persistent efforts in rectification and consolidation cause stagflation? After analyzing the various factors in a comprehensive manner, we have come to realize that so long as we carry out our work well, there should be no stagflation. So-called stagflation means an entire economic stagnancy or even negative growth. At the same time, the rate of inflation remains high at all times. As seen from the current situation and the trend of development, it is entirely possible to maintain economic growth at a certain speed. This year, the growth rate of major energy sources and raw materials such as coal, electricity, and rolled steel was faster than before. According to the requirements for readjusting the composition of investments, we shall continue to appropriately increase in the coming years our investment in fundamental industries and basic facilities. Together with support given by other areas, there will be a continuous growth in energy resources, raw materials, and transportation capability. This is the material basis for maintaining an appropriate growth in the whole economy. At the same time, although the scale of investments is curtailed in the course of rectification and consolidation, there are still investments of hundreds of billions of yuan. Although the growth of consumer needs is placed under control, the urban and rural people still have plenty of purchasing power. Therefore, our domestic market will not shrink. As for inflation, we may check or even eliminate it so long as we insist on cutting back demand, readjust the composition, rectify the order, and improve the economic results. On the contrary, if we do not insist on rectification and consolidation, or if we allow the current contradictions and problems concerning our economic life to develop in their own course, it will really bring about economic stagflation. It is well-founded that we have confidence in rectifying and consolidating China's economy.

II. The Basic Aim of Rectification and Consolidation Is To Ensure a Long-Term, Continuous, Steady, and Coordinated Economic Development in the National Economy

In this rectification and consolidation, we must not only overcome current economic difficulties, but we must also realize a long-term continuous, steady, and coordinated economic development in the national economy, which is more important. In the progress of developing China's economy, we must bear in mind one of the most

important lessons we have learned, that is, we repeatedly saw great fluctuations in the past because we neglected the national situation, overestimated the nation's capability, and acted hastily to strive for success. Following the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee proposed, upon summing up its past experience, the construction principle of seeking truth from facts, taking actions according to capability, stressing practical results, and making progress in a steady manner, so as to avoid having sharp fluctuations. This construction principle conforms to the objective law of economics and received warm welcome from the people. Our experience in the past 10 years showed that we will achieve a steady and healthy economic development and we will lead a good life if we follow this principle. Recently, however, we have serious inflation and economic difficulties. In the final analysis, this is because we have been unable to unremittingly implement this correct principle.

The most important point for achieving long-term, steady, and healthy development in the national economy is to have an appropriate rate of economic growth. Such a growth rate should be an equilibrium on which all conditions generally meet with each other. It should mean good economic results and practicality. The strategic goal set by our party of quadrupling the GNP by the turn of this century is an active and steady plan; the prerequisite is the improvement of economic results. As we have achieved our strategic goal of doubling the GNP, we may further double the GNP if we can achieve an average growth rate of 5-6 percent per year beginning now and running up until the end of this century. We must not pursue an impractically high growth rate. Having an overheated economy and growth speed will inevitably make the economy unstable. Of course, our economic growth rate in recent years was quite high, but we had to pay a huge cost, economic results dropped, and there was a serious dislocation in economic proportions. Facts have shown that it is impossible to constantly have an excessively high development speed, and there must be a stage of overheating followed by a stage of cooling down, or a sharp rise followed by a sharp drop. An economy cannot sustain such drastic changes. Therefore, no matter whether we are at the stage of rectification and consolidation or we have completed them, we must maintain an appropriate economic growth all the way through. Of course, it is normal that there will be several years in which we see a slower growth, and several other years in which we see a more rapid growth, due to changes in various economic factors. Nonetheless, the key is that we must exert great efforts to improve our economic results; this is our only option for ending our current economic difficulties, as well as the point on which our hopes of accomplishing a long-term steady national economy depends.

Over the years, we repeatedly committed the same mistake of hastily striving for high development speed in our economic construction. We suffered a lot in this respect. There were objective and subjective reasons

contributing to this. China was a populous country with a fragile basis. Its level of production development was very low, while its demand in various aspects has been very great. There was an urgency that we had to put an end to this backward situation; this thus made us prone to mistakes. Subjectively, it was mainly because we failed to have a comprehensive understanding of the national situation. We often cared about our needs without thinking about the possibilities, cared about our partial and immediate interests without thinking about the overall and long-term interests. In the current rectification and consolidation, we should, by summing up our experience, earnestly overcome the thinking and practice of striving hastily for achievements. We must maintain an appropriate growth rate while striving for economic growth.

In order to have long-term, steady, and coordinated development in the national economy, we should pay attention to the following issues.

First, we should unremittingly avoid practicing the excessive distribution of national income, and strive to maintain a basic balance between the aggregate demand and aggregate supply of society. The intensified inflation over the years brought problems to our economy, which were manifested mainly in the distribution of national economy. Such distribution means that one draws on his future income to satisfy his immediate needs. Although he might succeed by using this trick for just a while, he eventually has to repay the money and settle his accounts. When he uses this trick very extensively, he might find it difficult to make it work again and he cannot avoid bearing the consequences. In order to avoid doing this, we must make arrangements for our accumulation and consumption to be in line with the amount of national income. We must not expand excessively the scale of investment or quicken excessively the development pace for improving livelihood. In the course of rectification and consolidation, in order to understand problems of the excessive distribution of national income that has accumulated over the years, we should also strive to make the aggregate supply of society, in a particular year, slightly greater than the aggregate demand for that year.

Second, we should uphold the principle of maintaining respective balances, as well as mutual balance, in matters concerning finance, credit, foreign exchange, and goods and materials. The financial balance is a key issue. A financial budget should keep its expenditures within the limits of income, and should not be in deficit. Banks must strive to maintain a basic balance in their credit expenditure and revenue and avoid excessive issuances of currency. Over the years, the amount of financial expenditures was so large that we had deficits for successive years and banks granted loans and issued money in an excessive manner. As a result, problems were getting more serious. This was a profound lesson that we learned. In the course of rectification and consolidation, we should continue to uphold the principle of practicing austerity in financial and credit affairs, gradually

reducing deficits and the amount of money issued. Not only must we strive to maintain a balance in financial matters and credit, but must also balance our foreign exchange expenditure and revenue, and important goods and materials. Furthermore, we must strive to maintain a basic balance in these four aspects.

Third, we should readjust the composition of the economic structure in a comprehensive manner, so as to promote a coordinated ratio among major economic factors. To have a rational and coordinated structure is an important condition for achieving economic stability. Otherwise, not only will the state of imbalance in supply and demand be intensified, but it will also cause a drop in the economic results of allocation of resources, so that it is impossible to constantly have steady economic development. In the course of rectification and consolidation, we must, with the prerequisite of strictly controlling the overall scale of investment in fixed assets, rationally readjust the composition of investment according to the state's industrial policies, and take other appropriate preferential policies to encourage the development of such fundamental industries as agriculture, energy resources, transportation, important raw materials, and so forth. At the same time, we should earnestly readjust the composition of industrial production and check the phenomenon of indiscriminately developing processing industry.

Fourth, we should strictly check excessive growth in consumption demand and put an end to the phenomenon in which the growth rate of consumption exceeds that of production. In those several years after the 3d Plenary Session of the 11th CPC Central Committee, we rectified the practice of ignoring the necessity to gradually improve the people's livelihood by acting on the basis of production development and the necessity to sharply increase the income of urban and rural residents. In the years that followed, however, there was once again excessive growth in consumption demand, so that the growth rate of residents' income exceeded that of the national income and that of productivity. The same situation took place in the consumption of social groups. There should be a guarantee of a material base for consumption demand. When the growth of demand exceeded that of material supply, it was inevitable that we consumed materials that were reserved for future use and, consequently, inflation occurred. As a result, monetary wages increased sharply, while real income rose only a little or even decreased. Although the economy found the inflation of consumption demand intolerable, there emerged an unhealthy tendency of striving for extravagance and a luxurious living style. A country or nation may have a promising future only if it works hard and struggles to make headway. Any act to pursue extravagant spending and to consume future resources for immediate interests will inevitably bring about endless troubles. It is easy for a thrifty person to spend extravagantly, but not the other way around. We should resolutely rectify the practice of arbitrarily advocating growth in consumption demand, which we did over the

years. We should expend great effort on promoting the practice of living a thrifty life and working hard. China has a population of 1.1 billion. If each person spends a little more, hundreds or even thousands of million are gone. But when everyone make concerted efforts to save a little, the total amount will help us overcome the greatest difficulties. The more difficult the economy, the more enthusiastic a person will be, and it needs him to work harder and contribute more to society.

III. To Correctly Handle Relations Among Rectification, Consolidation, and Intensified Reforms

In order to overcome economic difficulties and to maintain a long-term, steady, and coordinated development in the national economy, we must closely integrate rectification and consolidation with our intensified reforms. Basically, reforms are carried out in order to rationalize economic relations, to mobilize the initiative of various sectors, and to create conditions for promoting a continuous, healthy development in the national economy. To rectify and consolidate does not mean that reforms are not necessary or that we backtrack. Rather, we will create better conditions for reforms. At the same time, many measures for rectification and consolidation are important aspects of reforms. It will be difficult to implement them without the coordination of reforms. Of course, in the course of rectification and consolidation, the content, measures, and steps should be focused on rectification and consolidation, should be favorable to solving the current economic difficulties and problems, and should be favorable to the task and goal of rectification and consolidation.

At present, an important aspect of the in-depth development of reforms is that we need to get a deeper understanding of the relations between planned economy and market readjustment. In the past, we did not have a comprehensive understanding about the nature of socialist economy and thought the planned economy conflicted with commodity economy. In the supervision of planning, we exercised too much control on economic activities so that we ignored and dismissed the readjustment function of markets. Such practice made our economy sluggish, and we were unable to handle anything with suitable measures, which should be done by localities and enterprises. We must reform such a supervisory system of planning. Otherwise, the development of social productive forces as well as improved economic results will be hampered, and it will be difficult to maintain a steady development in the national economy. We must have a clear understanding of this, and draw lessons from past experience. Over the past decade, we made numerous explorations on the basis of reforming our original planning system. While implementing planning guidance, we gave play to the readjustment role of markets, thereby promoting development in the national economy. However, we must understand that we are a socialist country taking public ownership as the basis. We should, and it is necessary to, implement the planned commodity economy but not a full market economy. If we practice a full market economy, we will depend

entirely on the readjustment role of markets, which will inevitably bring about chaos in our economic and social life, polarization of society, and the switch from public ownership to private ownership. We must resolutely prevent and guard against this. One must realize that there was a recent tendency to emphasize excessively the readjustment role of markets and even to fully negate the planned economy. It has become obvious that this tendency will influence adversely our economic life. We must also earnestly sum up our experience in this respect.

Based on past practical experience, we have come to the basic understanding and conclusion that we must integrate the planned economy with market readjustment. The issue of the core of economic structural reform also depends on an economic operation mechanism which integrates the planned economy with market readjustment. This ensures that there will be a long-term, steady development of the national economy. Under the prerequisite of thoroughly understanding this basic principle, we may adjust and improve the degree, pattern, and scope of integration between the planned economy and the market readjustment in accordance with the actual conditions. In the course of rectification and consolidation, we need to strengthen or emphasize planning in order to rapidly put an end to the imbalanced aggregate volume and dislocation of economics, as well as the chaotic economic situation. Otherwise, we may emphasize market readjustment more, and make the economy more enlivened.

At present, in order to strengthen the planning, we must centralize the work to an appropriate extent. Since reforms have been carried out, many measures for decentralization and giving more profits to localities have been adopted, which have mobilized the initiative of localities and enterprises. Such direction is generally correct. However, our current problems are that financial and material sources are excessively decentralized so that the state is unable to exercise macroeconomic control. It will be difficult for us to accomplish the task of rectification and consolidation, or to maintain or stabilize national economic development, without readjusting appropriately the current distribution relations of benefits, or without exercising centralization in those necessary aspects. In the past, we depended repeatedly on centralization in those necessary aspects and on appropriate centralization of financial and material sources whenever we readjusted our economy and overcame difficulties. Of course, the centralization we have mentioned just now is the one in which localities and enterprises will continue to properly give play to their initiative. It is not an excessive centralization in which the necessary autonomy of localities and enterprises is totally negated.

Indeed, our current economy is problem-ridden. However, we have many favorable conditions for overcoming them. China is a large country with a vast territory, abundant resources, and a big market. Its present economic strength is much better than in the past, and it has

great economic potential yet to be tapped. Provided that we act in the spirit of 5th Plenary Session of the 13th CPC Central Committee, seek a common understanding, take actions in unison, have full confidence in and fully depend on the masses, be enthusiastic and united, we shall certainly make progress in the work of rectification and consolidation, the in-depth development of reforms, and lay a good foundation for realizing a long-term, steady, and coordinated development in the national economy.

In Selecting and Employing Cadres, It Is Necessary To Adhere to the Principle of Stressing Both Ability and Political Integrity

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[Article by Zhao Dongwan (6392 2639 1354), state minister of personnel]

[Text] Stressing both ability and political integrity has been a consistent policy of our party in selecting and employing cadres. Whether or not we are able to correctly understand and implement this principle will directly affect the success or failure of the revolutionary cause. After having gone through the shocking turmoil and counterrevolutionary rebellion in spring and summer this year, serious reflection and review of the experiences and lessons in the implementation of this policy of stressing both ability and political integrity and clarifying the chaotic ideas on this question will be of extremely major significance in our correct implementation of the party's line on cadres and in guaranteeing the smooth development of the socialist cause.

I

Adhering to the principle of stressing both ability and political integrity in the selection and employment of cadres is a basic guiding idea in our cadre work and is a central component of the party's line on cadres. Political integrity refers mainly to a cadre's political stand and ideological character. Ability refers mainly to a cadre's work ability and professional level. The so-called principle of stressing both ability and political integrity means that when we are selecting and employing cadres, we must use the two yardsticks of ability and political integrity in assessing the cadres and require that the cadres possess both attributes.

The principle of stressing both ability and political integrity has been a constant policy in the organizational line of the party and is determined by the nature and tasks of our party. During the period of the war against the Japanese, Comrade Mao Zedong said that the CPC, as a party leading a great revolutionary struggle among the masses numbering in the hundreds of millions, must have leading cadres with both ability and political integrity. He gave a concrete character to the principle of stressing both ability and political integrity, considering it to be constituted by whether or not cadres could firmly implement the party's line and link up with the masses

and whether they had the ability to work independently. In the 1950's our country was in the initial period of large-scale socialist construction and Comrade Mao Zedong again put forward the requirement that cadres be "both Red and expert." He required that cadres in all industries and all vocations have an understanding both of politics and of their professional fields. After the 3d Plenary Session of the 11th CPC Central Committee, the focus of party work switched to the track of modernization. Deng Xiaoping and other proletarian revolutionaries of the older generation proposed the policy of "four changes" in the cadre ranks so as to gradually achieve the goal whereby cadres would be more revolutionary, younger in average age, better educated, and more professionally competent. These cadre requirements, which our party has proposed in various historical periods, although not exactly the same in specific content, have all involved the two aspects of ability and political integrity, and have manifested the principle of stressing both ability and political integrity. Our party has trained and produced group after group of outstanding cadres and they have become the backbone force of the revolutionary cause. They have provided a powerful organizational guarantee for the continued advance of the new democratic revolution and for construction and they have scored major achievements in the 10 years of reform and opening up.

However, it should also be recognized that in the last few years, in handling the relationship between requiring that cadres be more revolutionary and the other three changes demanded, and in understanding and grasping the specific requirements of the "four changes," there has appeared a certain degree of deviation. One of the main manifestations of this has been the stressing of ability at the expense of political integrity and the tendency to overlook the need to make cadres more revolutionary. This tendency has brought undesirable influences to cadre work.

What particularly needs to be pointed out is that in cadre work over the last few years Comrade Zhao Ziyang engaged in so-called "elite politics" and shielded and placed in important positions persons who obstinately adhered to bourgeois liberalization. He relied on them to run the party and run the state, resulting in a number of such persons taking up, to differing degrees, important posts in the party and the state. This aided the growth of the flood of bourgeois liberalization and brought major losses to the party's cause. In his employment of people, he used the "productive forces standard" to assess and use cadres, resulting in ideological confusion. There is no doubt that the basic task of socialist society is to develop the forces of production. However, our party has especially stressed that this has as a precondition the adherence to socialism. In assessing a cadre, the most important thing to look at is whether he has a firm faith in communism, whether he adheres to the socialist orientation, and whether he adheres to the basic aim of serving the people. Comrade Zhao Ziyang's mistakes in this respect were that he did not stress orientation and he

did not stress political standards. When he spoke of standards for selecting a factory director, he said, "There are only two—he must operate the enterprise well and he must not violate the law." "Not violating the law" is a basic demand on every citizen of the state. By degrading the standard for the leading cadres of socialist enterprises to just not violating the law, he in fact abolished the demand for political integrity. This, it must be said, violates the principle of stressing both ability and political integrity and the principle of "four changes" for the cadre ranks.

The positive and negative experiences prove that the principle of stressing both ability and political integrity is a basic guiding ideology in cadre work, an ideology that cannot be departed from at any time. With a correct political line, a correct cadre line, and adherence to the policy of stressing both ability and political integrity, our cause will advance and we will achieve victory. Conversely, if we deviate from the principle of stressing both ability and political integrity, our cause will be subject to harm from various angles.

II

Adherence to the principle of stressing both ability and political integrity first requires that we correctly understand and master the relationship between ability and political integrity. Comrade Deng Xiaoping, when talking about the relationship between the "four changes" for the cadre ranks, especially stressed that, with the precondition of persisting in making the cadres more revolutionary, we should gradually make the cadre ranks younger in average age, better educated, and more professionally competent. Comrade Chen Yun also pointed out that in selecting and employing cadres it is necessary to stress both ability and political integrity, but to give more emphasis to political integrity. These expositions accurately sum up the relationship between political integrity and ability.

Stressing both ability and political integrity means that we should stress political integrity and stress ability and we should see ability and political integrity as two aspects of a unified whole. They are indivisible; neither can be emphasized at the expense of the other and neither can be excluded. As Comrade Mao Zedong pointed out, "The relationship between being Red and expert and between politics and profession is a unity of opposites." "On the one hand, we need to oppose armchair politicians, and on the other hand we need to oppose realists who have lost their bearings." In the new period of carrying out modernization we need to fully implement the policy of "four changes" in the cadre ranks. None of these "changes" is dispensable and we cannot use the "revolutionary" change to replace the other three "changes." Even less can we just stress making the cadre ranks younger in average age, better educated, and more professionally competent, and ignore the need to make the ranks more revolutionary. Making the cadre ranks better educated just involves stressing qualifications and study records and does not

pay attention to practical training and experience. The party constitution stipulates that cadres are the backbone of the party's cause. Requiring that cadres have political integrity and also have ability is a demand of the party's cause. If people have political integrity but lack ability, while we can relax on the political level, they will be unable to take on major tasks without the knowledge and ability required by the revolutionary cause. If people have ability but not political integrity, their ability often cannot be used on the "correct road." On the minor level, this may lead to personal enrichment at public expense, while on a serious level, this may harm the state and the people. Their employment in major posts is thus very dangerous. Therefore, at all times, in looking at the relationship between ability and political integrity, it is necessary to use the dialectical materialist view that everything has two aspects, so as to guard against the tendency of taking an aberration as the whole or the use of one aspect to cover another.

At the same time as stressing both ability and political integrity, we need to persist in placing political integrity in the primary position. It can be said that on this point no political party or state is an exception. It is just that they differ in the content of political standards. From the day it was founded, our CPC has taken the establishment of socialist society and the final realization of communism as its task. This naturally requires that our cadres have a firm political faith and a correct political orientation and that they have an ideological character that is true and positive and in which words agree with actions. At the same time, they must observe the law and discipline, link up with the masses, and be honest in performing their official duties. In the above, a firm political faith and a correct political orientation are the most important. It is necessary for a cadre to be moral and upright and to carry out his duties honestly, but these characteristics are not sufficient. We also have to look at whether his communist faith is firm, look at his political attitudes, and, in particular, see whether he firmly upholds the four cardinal principles and opposes bourgeois liberalization. If our cadres, and especially leading cadres, are wavering in their political orientation, they cannot lead the masses in struggling to achieve the party's historical mission and may even slide into evil ways. If they do not follow Marxism-Leninism, are obsessed with ambition, harbor evil intentions, and feign compliance but act otherwise, it will very likely bring great losses to the revolutionary cause. If within the cadre ranks there appear a large number of people who use power to seek private gain, who violate law and discipline, and who are corrupt and degenerate, it will seriously harm the prestige of the party and the government in the eyes of the masses. Thus, whenever there are problems in terms of a cadre's political stand and ideological qualities, the results will not only be that nothing can be accomplished and that harm is brought to work, but it will also bring direct harm to the revolutionary cause. The higher the position of the cadre, the greater the harm to the revolutionary cause, and it may even reach the point where the continued existence of the

party and the state is threatened. This does not mean that we should just look at political integrity and consider ability to be unimportant. Rather, it means that when selecting and employing cadres, we should consider political standards and, with the precondition that political standards are met, we should select and employ those persons with strong professional ability and specialized knowledge. This is the only correct method.

Summing up the lessons of the recent turmoil and counterrevolutionary rebellion and reassessing the relationship between ability and political integrity will allow us to gain a clearer understanding of the importance of placing political integrity in the prime position. First, we are still in the initial stage of socialism, the economy is still quite backward, and it is difficult to fully manifest the superiority of the socialist system. Thus, at this stage it is especially important that our cadres have a firm political conviction and adhere to the socialist orientation. Only thus will it be possible to talk about leading the people of the whole country firmly along the road to socialism. Second, we are now engaged in reform and opening up. At the same time as we import advanced technology and management techniques, it will be difficult to avoid an influx of decadent capitalist ideas which will corrode our cadre ranks. This requires of our cadres, and especially the leading cadres, that they firmly establish the ideology of serving the people, maintain the style of hard struggle, pass the tests of reform and opening up, and carry out their official functions honestly. Only in this way will it be possible to effectively overcome and cut off the corrupt phenomena and raise the prestige of the party and the government in the eyes of the people. Third, for quite a long time to come, because of the influence of the international major climate and the domestic minor climate, class struggle will continue to exist within a certain scope, and the ideological tide of bourgeois liberalization will continually batter our cadres. In this situation, if our cadres' consciousness in adhering to the four cardinal principles is not strong, they will not be able to withstand the attacks of the ideological tide of bourgeois liberalization and, in pushing forward, they will lose their orientation and may even tolerate and support bourgeois liberalization. Thus, when examining, selecting, and employing cadres, we need to pay even greater attention to political standards. In particular, we need to pay attention to their political attitudes, whether their communist convictions are firm, and whether or not they can consciously adhere to the four cardinal principles and oppose bourgeois liberalization. We must not be the slightest bit hazy on this point.

III

In adhering to the principle of stressing both ability and political integrity and the policy of realizing the "four changes" in the cadre ranks, the key lies in strengthening the party's leadership over cadres, doing well in the ideological construction of cadre personnel departments, further reforming the cadre employment system, promoting the building of a cadre personnel legal system, and strengthening democratic supervision.

When discussing the reform of the cadre system, Comrade Deng Xiaoping, in the article "The Reform of the Party and State Leadership Systems," stressed that "the key lies in establishing and perfecting a system for selecting, examining, appointing, dismissing, assessing, impeaching, and rotating cadres." He also said, "The issue of the leadership system and the organizational system has a basic nature and an overall nature, involves stability, and will have long-term importance." Implementing the principle of stressing both ability and political integrity and the policy of achieving "four changes" in the cadre ranks requires as a guarantee reliance on the gradual formulation and perfection of a cadre system. This demands that we take the specific content of ability and political integrity, the specific standards of the "four changes," and the demands of implementation, standardize them, form systems, and form laws and regulations, implement management through the legal system, use "rule by law" to replace "rule by man," and achieve a situation where people are equal before the law and before the system. Only in this way will it be possible to effectively implement the principle of stressing both ability and political integrity and the policy of achieving "four changes" in the cadre ranks. Only thus will we be able to supervise and resist unhealthy work styles and mistakes in the employment of cadres which violate the principle of stressing both ability and political integrity. Thereby we will be able to guarantee that the principle of stressing both ability and political integrity will long be maintained.

Laws and systems both depend on people for their implementation. The cadre personnel departments at various levels, as the organs that manage cadre personnel work, must strengthen their own construction. The political and professional qualities of the staff of the various cadre personnel departments who take on the concrete work of selecting, recommending, and employing cadres have a direct effect on whether the principle of stressing both ability and political integrity is implemented and whether cadres are selected and employed well. Thus, the various levels of cadre personnel departments must first grasp well organizational construction, and pay attention to drawing in comrades who uphold the four cardinal principles, carry out their work in a fair and upright way, and have specialized knowledge and an enterprising spirit. Thereby they will be able to guarantee the fine qualities of the cadre personnel department workers. Second, they should do well in ideological construction. Most important is the serious study of Marxism-Leninism-Mao Zedong Thought, the continuous raising of the ideological level and the policy level, the correct grasping of cadre standards, and the rational use of cadres, so that every person can use his ability to the full. At the same time, there is also a need to do well in work-style construction, and to continually improve the procedures and regulations of cadre personnel work. There needs to be strict personnel discipline, so as to prevent and overcome unhealthy work styles in the work of selecting and employing cadres. Thereby it will be possible to ensure that cadre personnel departments at

all levels faithfully implement the party's organizational line and cadre policies and ensure that the policy of stressing both ability and political integrity is correctly implemented.

In addition, the strengthening of supervision is another necessary major measure in guaranteeing the implementation of the principle of stressing both ability and political integrity. In 1957, Comrade Deng Xiaoping stressed that the CPC must accept supervision. Cadre work is an important aspect of party work and needs even more to consciously accept supervision. At present, supervision in the employment of personnel is still a weak link, and when people have ideas on our cadre work, they are often centered on the employment of cadres. This point should receive our attention. If we are to do well in the area of supervision, we must further perfect the supervisory mechanism and system, get rid of the closed situation in the work of selecting cadres, increase openness and transparency, and have systems that are as open as possible, and make our work results as open as possible. When employing, assessing, or selecting cadres, we need to persist in the mass line and listen widely to the ideas of the masses. In particular, when assessing or selecting leading cadres, there is a need to have various sorts of democratic appraisals or public opinion polls. Through establishing various systems we should guarantee the right of the masses to supervise our work and, at the same time, must guarantee that the masses correctly exercise these rights.

To sum up, only if we have our completely correct principle of stressing both ability and political integrity, continually exclude the influence and interference of mistaken ideas, provide full guarantees on the institutional and organizational levels, and have effective supervision will it be possible to adhere to the principle of stressing both ability and political integrity and the policy of "four changes" in the cadre ranks, and will it be possible to guarantee the smooth implementation of the party's political line.

A Comment on 'Declaration of Private Ownership—the Hope of China'

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[Article by Qiu Yang (4428 7122)]

[Text] Negating socialist public ownership and establishing capitalist private ownership is one of the views of those who persist in bourgeois liberalization. An article entitled "Declaration of Private Ownership—the Hope of China" (hereinafter "Declaration" for short), which came out during the turmoil, systematically expressed their views. Profoundly analyzing this material in order to learn by negative example is beneficial to enhancing our political consciousness and ideological understanding, making a clear distinction between right and wrong, and seeing through the reactionary nature of bourgeois liberalization. This will enable us to carry out reform more effectively under the prerequisite of

sticking to the socialist road, and to persist in the socialist road more firmly in the course of reform.

What Are the Prerequisites for Socialist Public Ownership?

The concocters of the "Declaration" said: "Marx and Lenin pointed out that public ownership is established under some prerequisites. One such prerequisites is the 'enhancement of people's ideological consciousness.' At present, these prerequisites are a kind of sham assumption." What are, after all, the prerequisites for socialist public ownership? Those who have a little knowledge of Marxism know that, unlike utopian socialists, the principled assumptions of the founders of Marxism on the 'new world' are by no means without foundation. On the contrary, they "discover the new world in the course of repudiating the old one." They put forth these assumptions strictly in accordance with the objective law governing the development of productive forces. Marx and Engels expounded these issues scientifically in their works such as *The Communist Manifesto*, *Das Kapital*, *Anti-Dühring*, and so on. They penetratingly revealed the basic contradiction of capitalism, namely, the contradiction between socialized production and capitalist possession. They clearly pointed out that under the capitalist system production has been socialized. The nature of socialized production has demanded a social possession and control of means of production, and a concentrated organization and management of social means of production. On the other hand, means of production is possessed by capitalists who mutually compete with each other. The conflict between them has become more and more acute. This has increasingly aggravated the anarchic situation of social production and the contradiction between production and consumption, leading to periodic economic crises and the confrontation between the proletariat and the bourgeoisie. Marx and Engels also pointed out that the basic contradiction of capitalism can be solved only through the political revolution of the proletariat seizing political power, so that means of production will be possessed by society. This has actually recognized the social nature of productive forces. Therefore, capitalist private ownership will inevitably be replaced by socialist public ownership. This is an inevitable demand of the development of social productive forces, and has reflected the objective law governing the social development of mankind. It is obvious that the socialist public ownership advocated by Marx and Lenin never departs from socialist public ownership, and that it is not based purely on the "enhancement of ideological consciousness." The concocters of the "Declaration" deny the basic contradiction of capitalism, but tell lies by saying that Marx and Lenin are like those Utopian socialists. It is sheer nonsense, based on a new society invented purely by them, and a brazen distortion and slander of Marx and Lenin.

Basically, the reason why the concocters of the "Declaration" do so is that they are worshippers of capitalist private ownership. To them, capitalist private ownership is superior and perfect. True, after World War II, with a

major breakthrough in science and technology, and certain readjustments of capitalist production relations, the economies of capitalist countries developed considerably. But this does not mean that the basic system of capitalism has been touched upon, because its chronic illness still exists. Let us take economic crisis as an example. Since the first economic crisis in Great Britain in 1825, capitalist countries have been unable to avoid the occurrence of periodic economic crises. During the period of free capitalism, it occurred every 12 years. Later, the cycle was shortened considerably. After World War II, on average, economic crises happened every 6 years. As far as the class situation is concerned, we know that class contradiction still exists. Despite the fact that capitalist countries have adopted many welfare measures, the gaps between the rich and the poor remain large. According to statistics and analysis made by Ian Robertson, an authoritative American sociologist, the richest people in the United States account for 1/5 of the total population of the country, but they possess 76 percent of the national wealth. The poorest people also account for 1/5 of the total population, but they possess only 0.2 percent of the national wealth. Poorer people account for 1/5 of the total population, but they only possess 2.1 percent of the national wealth. This shows that 4/5 of the Americans possess only 24 percent of the national wealth, and the per capita wealth possessed by them is only $\frac{1}{3}$ of that of the rich people. Per capita wealth possessed by 1/5 of the Americans is only 10.5 percent of that possessed by the rich, namely, less than 1/9. Per capita wealth possessed by the poorest Americans who account for 1/5 of the total population is only 1 percent of that possessed by the rich Americans.¹

The chronic illness of the capitalist system has always threatened the system itself. Some advocates of capitalism do not completely negate this. When the big economic crisis occurred in the capitalist world in 1930's, British economist Keynes wrote with anxiety: "Due to the deep economic crisis, common people gradually cast doubt on the future. Was the past only a beautiful dream? Must they face the dark reality after they wake up from the dream?" He could not but admit that "we have now fallen into a bottomless quagmire."² In 1942, Peter Hsiung, an American institutional economist, wrote a book entitled *Capitalism, Socialism, and Democracy*. In the book, he wrote, "Can capitalism survive? No, I do not think so... The success of the system itself will undermine those social institutions that protect it, and will create some conditions that determine that the system cannot survive. Socialism might possibly replace it." More than 30 years after the publication of the book, in view of the fact that income gaps between intellectuals and entrepreneurs have been increasingly widening, intellectuals are dissatisfied with the entrepreneurs, and they work together with workers to oppose capitalism. American economist Rocker also maintains that material and production capability of capitalism cannot guarantee that the system can continue to survive in the future.³ Although vulgar bourgeois economists have regarded the work of defending

the capitalist system as their own task, and their class stand has determined that they will not expose the essence and basic contradiction of such a system, in their writings the capitalist system is not so wonderful as the description of those who stubbornly stick to bourgeois liberalization.

Big Reversal of Right and Wrong

The concocters cooked up 10 major crimes against socialist public ownership. Here we intend only to analyze some of the economic "crimes" framed up by them to see how they distort facts and attack the socialist system.

One of the major crimes is that socialist public ownership "restrains" the development of productive forces. The concocters of the "Declaration" stressed that "under public ownership, everyone is the master of the state. They want other people to do more work, but they try to earn more money for themselves. One is neither awarded or punished whether he does his work more or less. It is all the same to him whether he does his work well or not. One might think that the factory is not run by his family, and that no one will be starved to death under socialism. This has completely impeded the development of productive forces, and restricted the increase of labor productivity." Here, the concocters of the "Declaration" have completely reversed right and wrong. It is precisely because of the fact that the capitalist private system has been turned into socialist public ownership that laborers, who were formerly slaves, have become the masters of their country. This has greatly aroused their initiative and enthusiasm in building their country, so that our industrial and agricultural production can develop at a speed much faster than in old China and some countries, including some developed capitalist countries. In a short period of 40 years, earth-shaking changes have taken place in our country. However, in the eyes of those concocters of the "Declaration," after becoming the masters of their country, laborers "want other people to do more work, but they try to earn more money for themselves." They have lacked the sense of responsibility of being the masters of the country. This is a slander against the broad masses of laborers. There is no denying the fact that in our practical life it is true that some laborers' sense of responsibility is not strong or not strong enough. But as far as the reason is concerned, it is not necessarily linked with socialist public ownership of means of production. Fundamentally, this is because of the influence of the old ideas and old force of habit, and the old system of "everyone eating out of the same big pot." In recent years, due to the fact that Comrade Zhao Ziyang advocated and popularized the practice of letting the "elite" run factories, party leadership and ideological and political work were weakened. The words and deeds of "putting money above everything else" were indulged. This encouraged the spread of the phenomenon mentioned above. The problem occurred, not because of socialist public ownership, but because of our failure to persist in providing workers and staff members with socialist and communist ideological education, and to

pursue a distribution policy that conforms completely with the public ownership system. As long as we truly strengthen ideological and political work, enhance ideological consciousness of our workers and staff members, deepen economic structural reform, and implement the principle of distribution according to work, which is a principle of socialist public ownership, in our distribution field, we can certainly be able to enhance the sense of responsibility of the broad masses of workers and staff members who are the masters of their country; and we can continuously arouse their enthusiasm in building China into a socialist modern power. The concocters of the "Declaration" have regarded some defects that run counter to the socialist system in our work—that "one is neither awarded or punished whether he does his work more or less" and that "it is all the same to one whether he does his work well or not," and so on—as something inherent in the socialist public ownership itself. They have even criticized the saying that "nobody, after all, will starve to death under socialism," a measure which demonstrates the concern and sense of responsibility of our party and government for the people, and the superiority of socialism. They say that this has completely impeded the development of productive forces and restricted the enhancement of labor productivity. These persons must have either bourgeois prejudice against us, or ulterior motives. There is no other explanation for this. We would like to ask: In the old society and in some countries, a large number of people starve to death every year. Do you think that only this can promote the development of our productive forces and the enhancement of our labor productivity?

Ironclad facts have most powerfully refuted the argument that public ownership has "impeded" the development of the productive forces. Let us take China as an example. After the nationwide liberation, our total social output value increased from 101.5 billion yuan in 1952 to 2,984.7 billion yuan in 1988, which ranks 8th in the world. Annual growth of our GNP is 20 percent to 200 percent faster than other countries. Regarding the actual quantity of steel, in 1949 our steel output ranked 26th in the world. It now ranks fourth. Our coal output previously ranked ninth, but is now first. Our crude output previously ranked 27th, but it ranks fifth. Our electric energy production previously ranked 25th, but now ranks fourth. The rapid development of our productive forces has considerably enhanced people's living standards. The consumption level of our residents increased from 76 yuan in 1952 to 639 yuan in 1988. Net income of peasants has increased from 62 yuan to 479 yuan. Average annual actual wages of workers and staff members increased from 445 yuan to 1,747 yuan.⁴ All these facts have proved that it is precisely socialist public ownership that has emancipated our productive forces from the trammels of capitalism, so that our social production and people's livelihood can be improved so rapidly. The fact that socialist public ownership is superior to capitalist ownership has been proved by ironclad facts.

The second major "crime" of socialist public ownership is that it has caused astonishing waste. This argument has also confused truth and falsehood—Marxists maintain that the establishment of the socialist public ownership has eliminated the conflict between the need for organized production in factories and the anarchic situation of social production as a whole, so that society can organize production in accordance with predetermined plan, and avoid the possibility of great waste caused by periodic economic crisis. In the present stage in our country, due to the existence of various economic sectors in addition to diversified operational methods of our public ownership economy, we need not only planned economy, but also economic operational and regulatory methods that integrate planned economy with market regulation. This has enabled us to avoid blind development of the national economy and excessive control as well. Facts have and will continue to prove that such operational and regulatory methods are superior to the capitalist market economy. Of course, dislocations in proportions occurred repeatedly, due to our mistakes of being impatient for success and faster speed, and our failure in going about things in accordance with the objective laws governing proportionate development of the national economy. Although our national economy has again taken the road of healthy development because of our conscious readjustment, all the mistakes mentioned above have adversely affected our economic development. However, they are different from the periodic economic crises under the capitalist system, because they are not intrinsic to our system itself. They can be avoided after we improve our work.

The concocters of the "Declaration" do not mention at all that socialist public ownership can avoid the anarchic situation in social production that might occur under the capitalist system, and the "astonishing waste" caused by economic crisis. They use the so-called "free medical service, entertaining guests, and traveling about at public expense," and so on, to prove the so-called "astonishing waste caused by public ownership." Free medical service is a social security system implemented by the state for workers and staff members in our country. It has shown from an important aspect the superiority of the socialist system, and has been welcomed by the broad masses of workers and staff members. But some problems have occurred in the course of implementing it, and waste is one of them. These problems are being solved through reform. It is unscientific to exaggerate problems existing in specific work or to say that they are intrinsic to socialist public ownership system. Regarding treating guests and traveling about at public expense, the broad masses of people are dissatisfied with it. But it is caused by our imperfect system and our failure to enforce discipline strictly. It is not a necessary product of socialist public ownership. With the development of the anticorruption struggle, such phenomena will get fewer and fewer. Marxists and Leninists have always maintained that to understand social phenomena, it is not enough for us to enumerate one or two facts only. We must grasp all facts. While examining whether a system

has brought about waste, we must not pay too much attention to minor issues and certain phenomena, or exaggerate and overstate them. We must make a full analysis of the system itself. The concocters of the "Declaration" use "free medical service, treating guests, and traveling about at public expense" to prove that "public ownership has caused astonishing waste." This is nothing but a method of "seizing upon one point and ignoring the overall picture" to fully negate the socialist system. This attempt can never succeed.

The third major crime is that socialist public ownership disregards the individual interests of laborers. The concocters of the "Declaration" say that under the public ownership system, "only the so-called overall interests are stressed." What is actually meant is that individual interests are ignored. Facts are just the opposite. The aim of socialist production is different from that of capitalist production. Instead of seeking surplus value, socialist production is carried out to meet the increasing material and cultural demands of laborers. Individual demand is satisfied mainly through the principle of distribution according to work and the distribution of the achievements of work to laborers in the form of money. Under the socialist system, when our production has been expanded and our capability to meet the demand of laborers has been increased, we can satisfy the long-term needs of the laborer more effectively. In the final analysis, our overall interests also belong to laborers. The concocters of the "Declaration" put the word "the 'so-called'" before the "overall interests." This means that the "overall interests" do not belong to the laborers. They simply confound black and white. Under the capitalist system, the accumulated work achievements of the laborers are occupied by a small number of capitalists. Every possible method is employed by them to occupy more of the work achievements of laborers. Such distribution has completely neglected the overall interests of laborers, but has excessively stressed the individual interests of a small number of rulers and capitalists. Under the socialist system, to develop social productive forces more rapidly and satisfy the needs of laborers more effectively, we integrate laborers' individual interests with overall interests, and their immediate interests with their long-term interests. Ours is a country of the people, and our laborers are the masters of their own country. The overall interests reflected by public ownership system, in the final analysis, belong to individual interests of the laborers. Our people are clear about this. The concocters of the "Declaration" intend to incite people's discontent with public ownership system. But they will never succeed in this regard.

Bentham-Type Sermon

When Marx exposed the exploiting nature of the capitalists covered up by bourgeois economists, he repeatedly mentioned Bentham, British bourgeois economist and originator of utilitarianism. Bentham vulgarized the so-called "rational utilitarianism" of the French materialists and regarded narrow individual interests and undisguised utilitarianism as the main motives of moral

conduct of mankind and as a guiding principle for all production fields of mankind. He said "social interests are abstract" and "individual interests are the only interests that can be materialized."⁵ From beginning to end, the concocters of the "Declaration" base their ideas on such moral principles.

The concocters of the "Declaration" continue, "because public ownership emphasizes overall interests, laborers do not work enthusiastically or pay attention to enhancing labor productivity." This involves the issue of the motive force for production under socialist public ownership. We should realize that under the socialist system, both enterprises under ownership by the whole people and collective enterprises cannot but pay attention to the interests of enterprises and their workers and staff members. During a period in the past, we neglected such interests, and the enthusiasm of enterprises and their workers and staff members in work was adversely affected. During the reform over the past 10 years, which started with the 3d Plenary Session of the 11th CPC Central Committee, this situation has changed. However, while we are changing the situation, some people go to the other extreme. They deny the fact that production must be carried out in the interests of the whole people. This does not conform to the nature of socialist enterprises. Socialist enterprises, and enterprises under ownership by the whole people in particular, must correctly handle relations between the overall interests of the state, and the collective and individual interests of laborers. They must integrate these three kinds of interests. When conflicts occur, the collectives and individuals must consciously subordinate their interests to the overall interests of the state. The idea that enterprises under ownership by the whole people attach importance only to the interests of their own enterprises and the interests of their workers and staff members does not tally with fact. In the eyes of the concocters of the "Declaration," our workers and staff members are mediocre persons who care only about their immediate and petty interests. They always want other people to work more, but they themselves try to earn more money. They always think that "when men stop looking out for themselves that will be the end of the world," and that a high degree of ideological consciousness is no more than a "sham assumption." It is not surprising at all for them to say so, because they are Bentham-type egoists. It should be pointed out that such understanding of public ownership is not an invention of the concocters of the "Declaration." In their lifetimes, Marx and Engels encountered such an idea and forcefully hit back at it. At that time, some people accused the communists of intending to eliminate private ownership, saying that "once private ownership is eliminated, all activities will stop. This will induce sloth everywhere." Marx and Engels refuted the idea by saying, "If what they say is true, bourgeois society would have died out a long time ago due to sloth, because in this society, those who work gain nothing, whereas those who gain need not work."⁶ It is appropriate to use these remarks to refute the concocters of the "Declaration".

The concocters of the "Declaration" also say that, under public ownership, the "role of individuals is completely neglected. This is extremely harmful to tapping the potential of individuals." In the past, owing to some reasons in our political system, the work of giving full play to individual roles, and tapping their potential was affected. However, it is precisely because of the establishment of socialist public ownership that our people are freed from the fetters of capitalism and private ownership. This is an undeniable fact. It has made it possible for our people to truly give play to their individual role, and to tap their potential. Our economic structural reform in progress has further turned this possibility into reality. In the long run, with the great development of our productive forces, people's working hours can be greatly shortened, so they can spend more time on their own all-round and free development. Under such circumstances, laborers will have greater potential, and play greater roles in the struggle against nature. If we negate public ownership to promote private ownership, what will be the results? We will get the answer if we pay attention to what has happened in some developed capitalist countries. These countries have developed by relying on exploiting their own people and plundering people of other countries over the past several hundred years. Today, their level of productive forces is higher than ours, and the living standard of their workers is also better than ours. However, just as we mentioned above, the status of the laborers as hired slaves to the bourgeoisie, and polarization between the rich bourgeoisie and the poor proletariat have not and cannot be changed. Under such a system, laborers are no more than machines for producing surplus value. After labor force is sold to capitalists, it is annexed to the capital, and becomes an existing form of capital. Its "potential" can only be tapped and used as productive forces of capitalism. Just as Marx and Engels pointed out, "in bourgeois society, capital has its independent and individual character, but individual laborers are deprived of their independent and individual character."⁷

The concocters of the "Declaration" continue to say, "the factory is not my property, so I'll take whatever I can get [before someone else does; the government won't miss it, and it won't make any difference]." We cannot say that such a phenomenon does not exist in our country, but it is not intrinsic to public ownership. We should realize that what socialist public ownership demands is that laborers work for society and the collectives. In the meantime, they can get remuneration, which generally conforms to the quantity and quality of their work. Working personnel of the state must work hard to serve the people and become their public servants. "Making every effort to seek more advantages to avoid wasting one efforts in vain" has precisely reflected the principle followed by the capitalists in their work. Persons who have ideas and conduct of "seeking more individual advantages" are precisely those who are influenced by bourgeois ideology. At present, due to the corrosion of various kinds of decadent ideology, such

kinds of phenomena that run counter to socialist public ownership still exist and grow on a certain scope. It has severely affected the general mood of our society. We must have a correct understanding of it. We must soberly realize that such influences will exist for a long time. Therefore, in our socialist modernization, we must always persist in grasping simultaneously the building of socialist material and spiritual civilizations. In the meantime, we should also firmly believe that under the excellent socialist system, we are fully able to continuously overcome such influences, and build our country into a powerful, prosperous, democratic, civilized, and modernized socialist power.

Where Does China's Hope Lie?

If we follow the ideas of the concocters of the "Declaration" to abolish public ownership and pursue private ownership to turn our socialist society into a capitalist society, an acute polarization will occur in our country. A tiny number of persons will become exploiters, whereas the majority of our people will become wage slaves. Furthermore, due to the fact that the level of development of productive forces in our country is not high enough, we must start from the early period of capitalism. Just as Engels described in his article "The Current Situation of the Working Class in Great Britain," workers in our country will have a tragic experience. They will struggle for existence under very strong feudal oppression and exploitation just as happened in old China. The broad masses of our peasants will be plundered by feudal landlords in a society with capitalist coloring, and live in hunger and cold, and complete darkness. A country with such ownership is bound to yield to imperialism and become an appendage of imperialism. Politically, it will rely on imperialism. Economically, it will be controlled by international monopoly capitalism.

The concocters of the "Declaration" might argue that what they have in mind is a country of private ownership like the United States—a developed capitalist country. Actually, the United States is not so wonderful as they have described. Let us leave that aside for the moment, but it must be pointed that even if China pursues private ownership, it will not become a developed capitalist country like the United States. A basic fact is that, like other developed capitalist countries, in its development over the past 200 years, apart from exploiting the laboring people at home, the United States has been plundering other countries. All this has played an important role in its development. When discussing primitive accumulation in Great Britain and other countries, Marx pointed out, "Money and valuables that they have directly gotten through plundering, enslavement and murder flow from places outside Europe to the suzerain states in a steady stream, and are turned into capital there."⁸ No such condition exists in China now. Even if there is such a condition in China, the CPC and the Chinese people under its leadership will never do this kind of thing, which is against heavenly principles.

Can what the concocters of the "Declaration" advocate make China powerful and prosperous? Recently, the relevant departments of the state issued a number of statistics, showing the achievements we have made over the 40 years years since the founding of the People's Republic, which have now become the focus of world attention. These figures have convincingly demonstrated the superiority of socialist public ownership. Solving the problem of providing 1.1 billion people with sufficient food and clothing is an extremely great achievement. Previous Chinese Governments never succeeded in solving this problem. The concocters of the "Declaration" turn a blind eye to these facts, and wantonly attack socialist public ownership. They declare that socialist public ownership is the "root of the trouble." However, in the eyes of the broad masses of people, socialist public ownership is the source of happiness. People with different stances hold completely different views.

The concocters of the "Declaration" cry wildly, "Let us sound the death knell of public ownership at an early date, and greet the new tomorrow of the republic." People of the whole country have chosen socialist public ownership. They will oppose those who attempt to go against their will. History has proved that in our country, what we must do is not to pursue the so-called private ownership. On the contrary, under the prerequisite of upholding socialist public ownership, we must carry out reform in an all-round and profound way and implement a policy of opening up to the outside world for a long time. This is where the true hope of China lies!

Footnotes

1. Xiao Hai: "Negating the Four Cardinal Principles Means Negating the Interests of the Majority of the People in China," published in GUANGMING RIBAO, 20 Aug 1989.
2. "A Collection of Persuasion," pp 135-136. Contained in *Contemporary Economic Theories of the Bourgeoisie*, compiled by Fan Hong, Vol 1, p 5, Commercial Press, 1960.
3. *Can Capitalism Survive?*, Guangdong People's Publishing House, pp 3, 15, 1982.
4. Zong Han: "Persisting in Socialist Public Ownership," GUANGMING RIBAO, 26 August 1989.
5. *Complete Works of Marx and Engels*, Vol 2, p 170.
6. Ibid., Vol 2, p 170.
7. Ibid., Vol 4, p 482.
8. Ibid., Vol 23, p 822.

Uphold Dialectical Thinking, Make Every Effort To Guard Against One-Sidedness—Understanding Gained Through Studying Comrade Jiang Zemin's Speech

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[Article by Bi Xizhen (3968 6932 2823), secretary of the Dalian City Party Committee]

[Text] In the process of penetratingly studying Comrade Jiang Zemin's important National Day speech, we must combine summing up 10 years of reform experience with an analysis of realistic conditions. As I do so, I deeply feel that our party leadership cadres at various levels must energetically promote the upholding of dialectical scientific thinking and strive to guard against one-sidedness in work. This is of great significance in realistically promoting opposition to bourgeois liberalization, resolutely carrying out the party's basic line, doing a good job of improvement and rectification, consolidating and developing the triumphant results of the suppression of the counterrevolutionary riot, and stimulating the realization of the fundamental task of modernization.

In his National Day speech, Comrade Jiang Zemin pointed out that a higher theoretical level of the party is a fundamental guarantee for party leadership being correct and scientific. "Within the party, high-ranking party cadres must first advocate the serious study and research of the fundamental principles of Marxism-Leninism-Mao Zedong Thought and especially study the scientific world outlook and methodology. A Communist Party member lacking in Marxist theoretical training and not good at using the correct stand, viewpoint, and method to analyze and solve problems is incapable of playing his proper role. Still less can he become a qualified party leadership cadre." A leadership cadre should understand the importance of theoretical accomplishment from the high plane of being qualified or not. He should strive to master dialectical scientific thinking. This is to keep his own thinking from being confined to the shallow level of handling everyday affairs and avoid making one-sided mistakes and even going astray.

In the practice of reform and construction, we must realistically do theoretical thinking or dialectical thinking in line with the Marxist scientific world outlook and methodology. This is a fundamental guiding idea in doing our work well. Dialectical thinking is distinguished from nonrational thought and empirical thought and is opposed to metaphysical thinking, which is divorced from reality and national conditions, one-sided, and marked with impatience for success. If a leadership cadre does not know how to do dialectical scientific thinking, or is not well practiced, for that matter, then he is likely to be one-sided and not all-round, blind and not sober, irresolute and not firm in carrying out the party's general line and specific policies.

To master dialectical scientific thinking, the most important thing, as things now stand, is to combine the study of Comrade Jiang Zemin's National Day speech with the study of Marxist philosophy. Comrade Jiang Zemin's programmatic speech is packed with Marxist materialism and dialectics. It uses dialectic-materialist and historical materialist stand, viewpoint, and method in scientifically analyzing history and reality, summing up positive and negative experiences in an overall manner, and correctly answering a series of major theoretical and actual problems. The speech is not only a guiding program for our present and future work, but is also an important teaching source in studying Marxist philosophy. As a systematized and theory-based scientific world outlook, Marxist philosophy is a theoretical basis for our party's thinking. Studying and mastering Marxist philosophy and using it to guide our reform and construction can keep our thinking and action from being blind and one-sided. Marxist philosophy is scientific methodology. It has provided us with the fundamental principles that must be followed with regard to the way of thinking, work methods, research methods, and leadership methods. To carry out practice on the basis of Marxist scientific methodology, we can achieve the anticipated goal. Therefore, combining the study of Comrade Jiang Zemin's National Day speech with the study of Marxist philosophy is an effective way to correctly sum up historical experiences, raise leadership cadre's ability to distinguish between right and wrong, solve actual problems, and have a better grasp of the objective laws governing the building of socialism with Chinese characteristics.

To master dialectical scientific thinking, we should also combine past work experience with targeted existing problems and especially with the realities of 10 years of reform and openness and the realities of many struggles against bourgeois liberalization. We must consciously look for causes from the high plane of world outlook and methodology, carry out penetrating self-analyses, and raise our own capacity for theoretical thinking in regard to the combination of theory and practice. It should be noted that to really increase the training of the masses of party members and cadres in Marxist theory and allow the implementation and expression of what is learned in practice is a long-term arduous task. An analysis from the angle of philosophy shows that bourgeois liberalization is ideologically based on idealism and metaphysics. It cannot be imagined that idealism and metaphysics on which liberal bourgeois thinking has relied to survive and to thrive for years, and its social historical soil can be thoroughly eliminated after the distribution of a few documents, the calling of a few discussion meetings, and the making of several reports. The influence of liberal bourgeois thinking often asserts itself in different forms in party members and especially some leadership cadres. There is the need to seriously solve this problem. It finds expression in the following ways:

1. The theory on the initial stage of socialism put forward by the party is a leap forward in socialist awareness,

providing a fundamental guarantee for building socialism with Chinese characteristics and doing away with "left" and right interference. But in discussing the theory of the initial stage, some people one-sidedly exaggerate the backwardness of the state, shaking people's ideals and faith. Demands on party members and cadres are lowered. The level of ideological and political education is also lowered.

2. The fundamental task of socialist society defined by the party is to develop productive forces. Productive forces are pointed out as the ultimate determinant of all social development. But in stressing the standard for productive forces, some people put such a standard in simplified and vulgar form, taking it as the only standard and actually letting it replace political standards in all fields and various concrete standards. The reaction of the relations of production and the superstructure is completely overlooked, causing confusion theoretically and bringing about evil consequences in actual work.

3. The party has called for energetically developing a socialist planned commodity economy. This has stimulated the rapid development of social productive forces and made for the steady growth of the social economy and continuous prosperity. But in the process of developing the commodity economy, some people create confusion about the fundamental differences between the socialist commodity economy and the capitalist commodity economy, overlook the "negative effects" of the commodity economy, and even call for the promotion of the commodity economy with "money as the only object in all matters." This has made for the prevailing practice of "worshipping money." In the party, the corruption problem of unhealthy party style and dishonest government has appeared.

4. The party encourages and allows some people and some areas to get rich first and then to lead other people or areas in following the road to common wealth. This policy of making the people rich is compatible with the fundamental conditions of our country and with the principle of distribution according to labor. It has, to a certain degree, smashed the "big rice pot" of egalitarianism and aroused the enthusiasm of the masses of workers. But some party members and cadres concern themselves only with the business of making themselves rich and they are incapable of leading the masses of people to get rich together. They have gotten rich through illegal means. Some people eagerly try to beat each other to it in obtaining more money. They blindly pursue high-grade consumer goods and make purchases beyond their means, corrupting social practices. This has led to the appearance of the phenomenon of unequal social distribution, with a number of people developing a sentiment of doubt about party policy.

5. The party's call for emancipating the mind has smashed the spiritual shackles of the "left" and the bonds of ossified thinking, with reform and openness introduced boldly, the economy enlivened, and the enthusiasm of hundreds of millions of people aroused in

building socialist modernization. But some people suggest "relaxed discipline" and preach the so-called "idea of the lamp," vigorously promoting the practice of "matching policies from higher levels with countermeasures from lower levels," refraining from acting on orders given, and prohibiting what should be prohibited. This has caused the party general line and specific policies to be distorted in implementation. Some people have even broken with the party under the slogan of "emancipating the mind."

6. The party has put forward the graphic analogy of "groping one's way across the river through rocks." This means that, given the absence of a readymade model and relevant experience to follow in reform and modernization, we must insist on proceeding from reality, groping our way forward, and following every step forward with a footprint left in a down-to-earth manner. This is a product of the Marxist theory of knowledge being combined with the concrete practice of our country's reform and modernization. It has successfully guided the practice of reform and construction for 10 years. "Groping our way across the river by stepping on rocks" does not not exclude theory. Instead, theory itself involves theoretically groping in practice. It is on this very basis that the theory of building socialism with Chinese characteristics has gradually formed. But some people have distorted, underestimated, and even attacked it. Some have advocated empiricism and pragmatism and fail to penetratingly study theory. They go for the latest fashions, indulge extravagant tastes, and put on appearances.

7. The separation of party functions and government administration is of great significance in overcoming the defects of the party committee controlling everything and in energetically strengthening and improving party leadership and establishing a highly effective system of administrative departments at various levels, working from higher to lower levels. But some people overlook and downgrade the role of party leadership as the core and as a powerful fighting force, weakening party leadership. Some other people consider that there is no actual benefit and no future in doing party work. They refrain from studying new conditions and new problems and get nothing done.

8. In the process of overcoming a "spirit of being all-powerful" and carrying out the principle of material interests, some people have exaggerated the role of "economic means," changing (actually dropping) the party's ideological and political work and getting rid of the party's political dominance, and the revolutionary spirit advocated and formed by the party in a long period of revolution and construction, as represented by the following: Fighting amidst hardships, being selfless, with everything done to benefit others and not the least done for one's own benefit, wholeheartedly serving the people, and so forth. Some people pay lip service to such Western stuff as "a sense of values," "incentives," and so forth, but never say a thing about our own traditions and superiority, causing people to lose the backbone of spiritual backing. Some people have interpreted the

improvement of the "quality of life" as just the improvement of the quality of material life, setting their sights only on food, clothing, and articles of everyday use, going for high-grade consumer goods, and neglecting urgently needed construction in regard to the social environment, the cultural environment, and so forth that fall into the category of spiritual life. This has made for the appearance of "a spiritual decline" in society.

9. In stressing the role of ideological and political work guaranteeing and serving economic work and various tasks, some people have dropped the fundamental principle that ideological and political work must uphold a firm and correct political direction. They pay attention only to ideological work directly related to production and concrete vocational work, and they neglect the work of using the four cardinal principles and fundamental Marxist theories to educate people. In concrete work, some people and things involving violation of principle that should be criticized are not criticized with courage. And those people and things that should be taken care of are not brought under control.

10. The introduction of the chief executive responsibility system has played an important role in overcoming the past leadership method of replacing the government with the party. But a new situation often appears in which what an individual says counts in all matters. People have forgotten the party's democratic centralism and the mass line, lumping the process of decisionmaking with that of giving commands in implementation, neglecting the need to put decisionmaking on a democratic and scientific basis, and even putting an individual above the party organization and above the masses.

Manifestations of one-sidedness are not just confined to these. For example, in analyzing the situation, some people, at the mention of a problem, equate it with "a pall of darkness" and lose confidence. At the mention of national conditions, they assume a nihilist attitude and negate everything. At the mention of certain corrupt phenomena existing in the party, they think that the whole party is "beyond help." These various expressions of one-sidedness have brought great harm to our work in many fields.

What are the causes of these manifestations of one-sidedness? An analysis based on the theory of knowledge shows that the main cause is separation of theory from practice and of subjectivity from objectivity, with a hackneyed metaphysical way of thinking at work. This usually finds expression as follows: a) In handling problems or carrying out policies, people rely not on independent thinking but on the passion of the moment; they are "carried away emotionally" and rely not on thorough deliberation but on an impulse of the moment, going for "a passing fancy." b) People let the process of thinking be guided by only one direction, one angle, one rule, and one standard, applying the same approach to all matters. In the face of new and complicated problems, they often resort to simplified ways of handling things, and although the motive is often good, results have been less

than desirable. c) When encountering problems, people do not ask the whys and wherefores, they just swim with the tide, lacking independent and critical thinking and even making incorrect analyses and criticisms of certain erroneous things.

These ways of thinking are marked with obvious one-sidedness, narrow-mindedness, blindness, irresoluteness, and other defects. This explains why some leadership cadres are in a hurried state of mind and indecisive in the process of making decisions. In the evening they are likely to change an order given only in the morning. Such a chaotic way of thinking does great harm. For a leadership cadre, the correctness or incorrectness of the way of thinking has a direct bearing on the quality of work in the area, department, or unit under his management. If a leadership cadre does not master Marxist scientific world outlook and methodology, is incapable of dialectical scientific thinking, and always handles his work in an improper way, he can never be a qualified party leadership cadre.

To get rid of the idealist and metaphysical way of thinking, we must do things along materialist-dialectical lines. In 1957, Comrade Mao Zedong said at a meeting, "In sum, we must do things in line with dialectics. This is what Comrade Deng Xiaoping said. In my opinion, the whole party must study dialectics and promote doing things in line with dialectics." This means calling on us to foster a realistic dialectical way of thinking. This way of thinking does not belong to piecemeal thinking but to comprehensive way of thinking [zong ti ceng ci 4920 7555 1461 2945], and is the fundamental principle and overall demand of the scientific way of thinking. At present, I think we should make concrete efforts in three fields.

First, we must cultivate a capacity for overall thinking. Our cause of modernization and of reform and openness are a complicated systematic task. This demands that, in analyzing problems and making policy decisions, we must inspect and verify things from different sides and different angles in an overall manner. Comrade Mao Zedong once suggested that, when encountering problems, we must ask a few more whys and do more thinking, racking our brains. Asking a few more questions in no way means to deliberately speak or act contrary to upper-level instructions. Instead, it means that, with the maintenance of a high degree of ideological and political unity with the party Central Committee as a prerequisite, we must pay attention to the conduct of careful and scientific thinking and to the creativity of research work.

Second, we must uphold the down-to-earth spirit of seeking truth from facts. Historical and realistic experiences repeatedly show that in economic construction and other construction undertakings, our various fields of endeavor can develop smoothly by upholding the down-to-earth spirit of seeking truth from facts. On the contrary, there would appear mistakes. As far as tracing

things to knowledge is concerned, the reason that "impatience to get something done" always results in nothing being done is that we run counter to the ideological line of seeking truth from facts. Xue Xuan of the Ming dynasty said, "In handling things, we must think carefully and proceed slowly. Thinking carefully and proceeding slowly go hand in hand to bring appropriate results." "Thinking carefully" and "proceeding slowly" here provide us with great enlightenment in our upholding the spirit of seeking truth from facts. "Thinking carefully" means making due consideration, enabling the product of thinking to conform with actual objective conditions. Proceeding slowly means acting steadily and surely and trying in every way to unify subjective motives with objective results. Impatience to get things done is incompatible with "thinking carefully and proceeding slowly." Impatience to get things done may be likened to pulling seedlings from the soil to vainly stimulate their growth. This one-sided thinking is basically against objective law. Our advocating a down-to-earth spirit of going about things steadily and surely means that on the basis of an overall and correct understanding of objective laws, we must steadily and surely handle things and carry out policies, avoid making human mistakes, and get things done in a down-to-earth manner.

Finally, we must uphold a high sense of party spirit and principle. Some manifestations of one-sidedness fall into the category of problems related to subjective understanding. Therefore, we must seriously develop dialectical scientific thinking and overcome one-sidedness. We cannot rely on subjective imagination, nor on passion of the moment, nor on individual preferences, nor on the gains or losses of an individual, a small group, an area, or a unit. If we lack a sense of party spirit and principle, fail to be motivated by public interests, and fail to jump out of the tight little world of an individual in observing problems, we are likely to draw conclusions entirely incompatible with actual conditions and thus make erroneous decisions. Just as the ancients said, "eyes that can't see well are likely to have white made out as black. Fraudulent hearts are likely to have the thin treated as the thick." It should be pointed out that upholding a high sense of party spirit and principle is the most fundamental demand on party leadership cadres. A high sense of party spirit means a lesser degree of one-sidedness. One-sidedness is likely to be overcome where it exists. In our various tasks at present in upholding and acting on the spirit of the 4th and 5th Plenary Sessions of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speeches and the spirit of Comrade Jiang Zemin's National Day speech, leadership cadres must especially increase their sense of party spirit and link it to an improvement in the quality of theoretical thinking in their own practice of leadership.

Have a Scientific Understanding of National Conditions

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[Article by Lin Tai (2651 3141) of Qinghua University]

[Text] Recently, Comrade Jiang Zemin repeatedly stressed educating youths on our national conditions. This is an important ideology we arrived at after summarizing our experience in the turmoil. Like their predecessors, most university students of the time are imbued with sincere patriotism. However, they do not understand national conditions, which is one of their weak points. Over the past years, we paid no attention to education in national conditions, while people who advocated bourgeois liberalization spread far and wide the thinking of national nihilism, so that some university students lost their correct political direction. This was an ideological mistake by university students, as well as our mistake in ideological and political education. We should earnestly check ourselves, clarify those aspects that have been confused by the ideology of bourgeois liberalization, and really seek a unity of thinking among the people on the "one core and two basic points."

To Comprehensively Understand History

People always quote an analysis of past history and compare it to current and future situations. The higher the plane on which we stand, the better the view we shall get on the direction of development. However, those who advocated bourgeois liberalization spread the thinking of historical nihilism, took lateral thinking and comparison of national conditions as conservative and ossified, or totally negated the positive factors of China's historical tradition in order to achieve their goal of negating socialism. This was manifested in the following aspects:

They negated the fine cultural tradition of the Chinese nation. China is a large country with a culture several thousand years old. On the one hand, a 2,000-year history of feudal society had become such a heavy burden on China that it still permeates our leadership system as well as the traditional customs of ordinary people, even 40 years after the birth of the Chinese socialist system. For example, there are people who advocate arbitrary decisions, the thinking of privileged class, nepotism, and rule by individuals rather than rule by law. Influences such as acting blindly, egalitarianism, and anarchism often obstructed reforms. On the other hand, our longstanding civilization has given us priceless mental wealth: the fine tradition among the Chinese people of hard work and being brave and patient, the great force of cohesiveness and inward direction, and a deep-rooted patriotic spirit. Fine thinking such as "everybody is responsible for the rise and fall of his country," "one should be concerned about the state of his country before everything" and so forth, and the dialectics of the *Book of Change*, the *Strategy of Sun Tze* and the rich works of many other thinkers has radiated

eternal glory throughout China, in every part of the East, and around the world. However, in recent years, some liberalized "elites" in China tried their best to defame our national culture and advocate full-scale Westernization. Fang Lizhi spread the idea that "our culture... is backward in every aspect," "if a culture does not work anymore, it is better to wipe it out," and "the death of a culture is not necessarily a bad thing." Moreover, the *River Elegy* took "Yellow Culture" and "Blue Culture" as titles to wipe out the whole historical culture of China, and to advocate bourgeois culture... Such thinking of national and historical nihilism made some youths blindly adore the West and look down on their motherland, and made them lose their national confidence, thereby undermining the cohesive force of the whole Chinese nation.

They negated the historical choice for socialism made by the Chinese people. In the past century China's productive forces were ruined by the looting and suppression of imperialism and feudalism, so that modern China has been poor and backward. During this period, China signed as many as 37 unequal treaties with imperial powers. Large pieces of territory were ceded and several billion taels of silver were taken away. The hard toil done by ordinary people became contributions to other countries' development, while the productive forces of the home country were unable to develop. In order to save China, our elder generation carried out repeated searches for solutions. From the constitutional reform and modernization by bourgeois reformists in 1898 to the 1911 revolution that advocated a bourgeois republic, our elder generation failed to fundamentally put an end to the situation in China, although they gained profound valuable historical experience and lessons. Under the corrupted rule of the bureaucrat-comprador bourgeoisie, represented by the Chiang, Song, Kong, and Chan families, China remained a semicolonial, semifeudal society. It was under just these circumstances that various political factions performed one after another on the stage. It was after every one of them had failed that the Chinese people accepted Marxism and came to the truth that "only socialism can save China." However, in recent years, those people who advocated bourgeois liberalization ignored the fact that capitalism had been practiced in China several decades ago and ended in failure. They spread around that "imperialism made contributions by invasion," socialism in China was "prematurely born," "the only way out for Mainland China is to practice capitalism," and even advocated that experiments of "capitalism" was the "new thinking" of reforms. These brought about the erroneous thinking among some youths that it was better to have imperialism and the Chiang dynasty ruling China than to have the Communist Party.

They negated the great achievements of socialism. Although our socialism did not always yield great achievements over the past 40 years, and we gained bitter experience in many aspects, nonetheless, it is the most glorious 40 years in the modern history of China.

China has narrowed the gap separating it from developed countries. The output of some important products such as steel, crude oil and electricity has moved China's ranking from below the 20th position to fourth or fifth in the world. Its 1.1 billion population has basically solved the problems of food and clothing. China has emerged from the state of being the sick man of East Asia to that of being one of the mighty political forces in the world. In the eyes of these liberalized "elites," however, such achievements were nothing. In works such as the *River Elegy*, the history of China after the May 4th Movement was gloomy, and both the revolutionary tradition and the great achievements were gone. Instead, it was "the loss of enlightenment," "the desert of culture," "the fault of democracy" and "the 40-year defeat." It simply painted a dark picture of the situation. However, the 70-year-old revolutionary tradition, as well as our 40-year-old practice of socialism, have planted deep roots in the hearts of the people, and nobody is able to wipe them out.

History is a long river, and nobody can interrupt its flow. Today's China is built on the basis of its history, whereas our present struggle will be the prelude of our future history. Without understanding his history, one will not realize the current situation and will never know what direction China will take in future.

To Correctly Grasp the Actual Situation

Various historical, social, and natural factors contribute to the reality of the state of our country. Only when one truly understands the characteristics and difficulties of the state of our country, can we really understand the construction of socialism with Chinese characteristics. Why did we repeatedly make the mistake of being impatient for success? Why did the youth pin high hopes on reforms and construction at one time, and feel depressed and frustrated at another? One reason for this is that they did not really understand the special difficulties of China. Those people who advocated bourgeois liberalization simply exploited this situation, spread "the theory of failure for socialism" and created confusion.

The most difficult problem that China is facing in its modernization program is its large population. Though China ranks at the top in the world with respect to resources and gross output volume in certain areas, its per capita value is backward. Take coal as an example. China has a rich deposit of coal. In the early 1980's the deposit amount was 98.9 billion tons, or 90 percent of that in the Soviet Union, 59 percent of that in the United States, or 2.9 times that in the FRG. However, its per capita amount of coal deposit was only 25 percent of that in the Soviet Union, 14 percent of that in the United States, or 20 percent of that in FRG. China's GNP ranks eighth in the world, but its per capita GNP ranks 130th among some 160 countries in the world. By the mid-21st century, it is expected that China's GNP will still be ranked among the top countries, but its per capita value will remain behind the level attained by developed countries. Therefore, when we determine economic

development strategy, we should take into full consideration the advantages of our country's national strength, as well as our difficulties with respect to per capita value. The development target of per capita value should be compared with that of the world, and under no circumstances should we take the GNP value of the developed countries as our goal. For example, energy consumption in the United States accounted for about one-quarter of the world's total consumption.¹ China's population is 4.5 times over that of the United States. If we want to have an energy consumption amount equal to that of the Americans, even the whole world's energy resources could not satisfy our need. Recently, there had been propaganda in which per capita GNP was used as the only or the major yardstick for comparison with developed countries in order to prove China's backwardness. Perhaps the purpose of such comparison was to spur China to catch up with the developed countries. However, this did not conform to the situation of a large population in China, so that it tended to lead people to pin high hopes on a goal that was beyond their reach. It also tended to lead people to feel depressed. We should take an overall consideration and appropriately propose and propagate a goal of struggle that suits both China's national strength and its per capita GNP value, and, under the condition that per capita GNP remains the same, improve the quality of people's livelihood by relying on the advantages of the socialist system. Only thus can it conform to the state of our country.

China is a country facing a serious shortage of funds for construction. Most of the developed capitalist countries got rich by looting semicolonial and semifeastal territories. As a result of its past experience, it is impossible and not suitable for China to take again this old road of exploiting and looting another country. Besides, being a large socialist country, China must abide by certain international obligations. Therefore, can we depend mainly on foreign debts to accumulate our construction funds? Small countries and territories, like the four Asian tigers (the total area of these countries and territories is equal to the size of Anhui Province), may attract foreign investment from the international community within a certain time by depending on their special economic, political, and geographical conditions. In a large country such as China, however, there are many poverty-stricken and remote areas that cannot yield quick profits for the international investors, and the international community is not willing and is unable to invest a huge sum in our country. Therefore, we can attract only a limited amount of foreign capital to promote China's construction under the condition of mutual benefit. Even if we could borrow loans as much as we want, we must think about our repayment capability; prevent a debt crisis, which is rather serious among Third World countries, from happening in China; and guard against turning China into a vassal state of developed capitalist countries and subject to their control. China can only take the road of independence and autonomy, self-reliance, and hard struggle. By depending on self-reliance and hard struggle after liberation, the

Chinese people accumulated funds to build more than 4,000 large and medium-sized enterprises and made an additional investment of over 1,500 billion yuan in fixed assets. From now on, we still must continue to take this road. The rate of accumulation cannot be too low, and a high consumption rate does not conform to the state of our country. Recently, consumption funds grew at an annual rate of more than 20 percent. This exceeded the growth rate of production and labor productivity by a large margin, so that it brought about inflation and adversely affected construction funds. Recently, Comrade Jiang Zemin repeatedly stressed, "We must prepare to tighten our belts in the next few years." This is a must for China to become a wealthy and strong nation, and for people to get rich.

China is a country in which the development of economics and culture are very uneven. Before liberation, China's industries were still at the stage prior to the industrial revolution. After struggling hard for 40 years, they made great headway, although development was very uneven. Automation, mechanization, semimechanization, and handwork coexist. The same applies to relatively developed cities on the one hand, and poverty-stricken, old, new, and remote areas on the other. This situation has brought many problems to China's development as a whole. Some people complained that Shanghai did not develop as quickly as Hong Kong over the past 40 years. This is a fact. Let's leave aside the special political, economic, and geographical conditions of Hong Kong. In the past 40 years, the people of Shanghai delivered in total 480 billion yuan of funds to the state, and made great contributions to China's development. But their funds for technological replacement and municipal construction were far from sufficient. Thus, people living across China should praise the people of Shanghai. Hong Kong did not have such an "additional burden." This is also true for provinces such as Jiangxi, Zhejiang, and Liaoning where industry is relatively advanced. Therefore, it is impractical for China to catch up within a short time with the world's advanced countries in all aspects. For a rather long time in the future, we will still rely on our advantage of being a large country to pool financial and material resources and to guarantee the development of certain departments, projects, and regions that have a great bearing on the national economy and people's livelihood. Also, we still have to depend on the economically developed areas and departments to make more contributions in this respect.

Just now, we have only discussed some difficulties related directly to economic constructions. Factors such as feudalist thinking, small-scale production ideology, semicolonial ideology, and poor educational background of cadres and the masses have also greatly affected the speed of socialist construction. One will never succeed if he is impatient for success. He may even have to take a long and winding path. We should help the youth understand the special nature and arduousness of China's

reforms and construction and let them understand the heavy burden they have on their shoulders.

There Must Be a Scientific Method To Compare the State of a Country

Since China opened up to the outside world, its contacts with many other countries in the world have been on the increase. It was absolutely normal that people compared and thought about the situation as a result of realizing a sharp contrast between developed capitalist countries and China. But the point is how to conduct a scientific comparison.

An important issue is the comparison of the state of the countries, as well as that of their social systems. These are two distinctive yet interrelated issues. Matters such as the state of productive forces, economic and political systems, science and culture, history and geography with respect to the state of a country are comparable. However, we must not take any difference in productive forces, which is subject to the influence of such factors as history, population, natural resources, and geographical conditions, as mistakes of the socialist system. When comparing social systems, we should focus on two points with respect to economics. First, we should understand the growth rate of productive forces, and second, the quality of people's livelihood under such systems. Comrade Mao Zedong once said, "The so-called socialist production relations, in comparison with the old production relations, are better suited to the development of production. This means that it allows productive forces to develop rapidly at a rate never achieved in the old society, so that production is constantly expanded, and the growing demands of the people can be gradually satisfied."² Comrade Deng Xiaoping also said, "...the socialist system is better than the capitalist one. This is manifested in many areas, and it is first reflected in the speed and results of economic development."³ Ideological confusion emerged in recent years because a comprehensive comparison of the state of a country was mixed up with the comparison of social systems. People who advocated bourgeois liberalization further made use of this fact to defame socialism while praising capitalism. Once this guiding ideology is clarified, a specific comparison becomes an easy job.

There are more than 160 countries and regions in the world. Except for a dozen socialist countries, nearly all of the rest are capitalist countries (regions) and countries (regions) that take the capitalist road, including only a dozen developed capitalist countries. If we include developing countries that have better productivity and offer well-off living standards, the number will be 20 and more. Most of them are not well-off countries (regions). Some are even poverty-stricken. Some imperialist countries achieved their development and prosperity by looting and exploiting their colonies and semicolonies in the past, and they continue to exploit developing countries. Capitalism is marked by polarization in China as well as in the international community. The prosperity and development achieved by a few countries do not

prove any advantage of capitalism. On the contrary, it has proved that the productivity and the quality of life of most developing countries can hardly be changed under the capitalist system. If we use the growth rate of productivity and the quality of life as a yardstick of comparison, it is obviously shown that China's socialist system is the better one. Though China made many mistakes over the past 40 years, the growth rate of its per capita share of grain, steel, coal, and electricity ranked at the top compared to such countries as the United States, the Soviet Union, India, Mexico, and Brazil, except for certain indexes (1986 statistics). In the decade after we carried out reforms and opening up, China's GNP grew at an annual rate of 9.6 percent according to calculations based on a constant price, which was much higher than the annual growth rate of 2 to 4 percent which was the level achieved by an absolute majority of the countries in the world. China's per capita GNP ranked 105th, or at a low level, among 128 countries where such data were available. However, its index of quality of life ranked between 43d and 65th, or at a mediocre level. This included data showing that each person received 2,602 calories of energy per day, which was about the level of 2,731 calories of energy per day in countries with an average national income, and ranked 65th. China's life expectancy increased from 35 years before liberation to 69 years, 7 years more than that achieved by countries with an average national income, and ranked 43d in the world (1985). These indicated that, under the socialist system, not only will the growth of productive forces be rapid, but the people will also obtain more specific benefits. Of course, judging from the absolute level of productivity, there is still a great difference between China and developed countries. But this is a result of history rather than a mistake of socialism. It has been acknowledged in the world that China has completed in 40 years a course which would take a capitalist country 100 hundred years to accomplish. But we must not require that we complete the course in these 40 years that would otherwise take certain countries 200 to 300 years to accomplish. It will be several generations before we can really catch up with the developed countries, which is an arduous struggle.

The economic achievements of the four Asian tigers are known to the world. However, the development pace of our reforms over the past decade was by no means inferior when compared to them. Besides, we should bear in mind that they have their special historical conditions. Take Taiwan as an example. Before liberation, the KMT [Kuomintang] brought with it a large amount of gold and silver, U.S. dollars, machines, and equipment when it left Mainland China. In Shanghai alone, it shipped away 800,000 taels of bullion. Taiwan Province is only just more than 30,000 square kilometers in area. For a certain period, it developed its economy by depending on industry processing for export. Following the outbreak of the Korean war and the Vietnam wars, the United States and other countries gave it additional assistance. In the early 1980's, Taiwan Province received more than a total of 20 billion yuan in "military aid,"

"economic aid," medium-term and long-term loans, enterprise investment, and so forth from the United States, or more than \$1,000 per person. These conditions were rarely found in other developing countries, still less in socialist Mainland China, which has a population of 1.1 billion. However, judging from the areas (such as Shenzhen Special Economic Zone and certain regions along the coast) where there is relatively more international investment, our development speed is by no means slower than them; It may even be faster.

Another question is about the scientific nature of the index of comparison. An unscientific one may completely distort the state of a country to an absurd level. The *River Elegy* written by Su Xiaokang and others, as well as the "Discussion of the World Membership" held by Qin Benli, spread around the following viewpoint: In 1960, the domestic national product value of China was equal to that of Japan, but it was only one-fifth of Japan's in 1985. In 1960, the difference in domestic national product value between China and the United States was \$460 billion, but it became \$3,680 billion in 1985. On the basis of these figures, they said that the gap between socialism and capitalism is widening, and that "the Chinese nation has reached the point of life or death." Such a comparison is extremely unscientific. The main yardstick of comparison in the world is GNP (gross national product) value. A traditional method is to convert the currency of a country in question into U.S. dollars at its officially quoted exchange rate. But changes in the exchange rate may produce a great difference in any international comparison. For example, according to calculations based on constant price in 1980, China's GNP was 374.2 billion yuan in 1979. It was 842.1 billion yuan, or increased by 1.25 times in 1987. However, if we converted these values into U.S. dollars at the exchange rate quoted in those years, the GNP figure in 1987 was lower than that in 1978 by 10 percent. Obviously, this is not true. When we compared this to Japan, such differences were further exaggerated because of appreciation of Japanese yen against the U.S. dollar and devaluation of Renminbi against the U.S. dollar. For example, between 1980 and 1986, the annual growth rate of China's GNP was 9.2 percent, while that of Japan was 3.7 percent. Because of appreciation of Japanese yen, however, the exchange rate went up from 203 to 159.1, while the exchange rate of Renminbi devalued from 1.49 to 3.54. After converting them into U.S. dollars, we come to the following conclusion: In 1980, China's GNP was a quarter of that in Japan. It was one-fifth of that in Japan in 1985, and one-sixth of that in Japan in 1986 (According to data provided by the office for policy research under the State Council). It was this method which was used in the *River Elegy* and "World Membership." It exaggerated the gap between socialism and capitalism, and provided grounds for propagating the theory of failure for socialism.

We have clearly understood that, although our development speed was much higher than that in developed capitalist countries, our absolute growth value remained

smaller than that in those countries because we started on a low and weak base. However, the greater of the two positive ratios of changes will eventually bring about a larger absolute value. This is a simple truth. After a few years, we shall catch up with and surpass the developed capitalist countries in terms of absolute value of annual growth, and after another period of years, we shall do the same in terms of GNP. The gap between the two sides will be narrowed and China's per capita GNP will be on par with that of the capitalist countries. Of course, this is a lengthy progression, which requires an arduous struggle by several generations. Yet, this is the development of history which cannot be changed.

Footnotes

1. *Energy Statistics Yearbook, 1983*, the United Nations.
2. *Selected Works of Mao Zedong*, Vol 5, p 373.
3. *Selected Works of Deng Xiaoping*, p 215.

The Iron and Steel Industry, Which Has Grown Together With New China

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[Article by the Policy and Law Planning Department, Ministry of Metallurgical Industry"]

[Text] New China's iron and steel industry has gone through a full 40 years of development.

The iron and steel industry left by Old China was extremely weak. In 1949, the output of the whole iron and steel industry was only 158,000 tons, ranking 26th in the world at that time. After the birth of New China, on the ruins of a few old iron and steel enterprises, New China's iron and steel industry began its arduous growth. Although it has suffered some setbacks and made some mistakes in its 40 years of development, overall, the iron and steel industry has seen high-speed development. In 1982, our country's steel output was already fourth in the world, and in 1988 steel output reached 59.43 million tons. The one day's production in 1988 was equivalent to the entire annual production in 1949.

Over the last 40 years, a number of old enterprises, such as Anshan Iron and Steel Works, Shoudu Iron and Steel Works, Benxi Iron and Steel Works, Taiyuan Iron and Steel Works, and Tangshan Iron and Steel Works have been developed and strengthened. The output of steel from the Anshan Iron and Steel Works is now over 8 million tons and that of the Shoudu Iron and Steel Works is now over 3 million tons. In the 1950's, Wuhan Iron and Steel Company was established and built on the strategic flatlands in the central-south region, and in Inner Mongolia the Baotou Iron and Steel Works was established on the grasslands. At the beginning of the 1960's, through the spirit of self-reliance, a wheel factory was established at Anshan Iron and Steel Works, ending the situation where we had long relied on imports. After that, through reliance completely on domestic strengths,

we designed and manufactured our own equipment and, in the southwest, the Panzhihua Iron and Steel Company was established. These changes demonstrated the powerful strengths of the iron and steel industry's scientific and technological research, planning, production, and construction. In 1978, through the import of technology, the Baoshan Iron and Steel Works was established on the banks of the Wusong River, marking a great step on the road to modernization of our country's iron and steel industry. Today, every province, except for the Tibet Autonomous Region, has its own iron and steel industry. Throughout the country there are over 1,400 whole-peopple ownership iron and steel enterprises above the county level. Of these, 14 have an annual production in excess of 1 million tons. Of 50 local medium-sized backbone enterprises, five in excess of 500,000 tons. There are ordinary steel plants, special steel plants, iron mines, mines for various other types of metallurgical materials, fire-resistant material factories, feroalloy plants, carbon products plants and metallic products plants, providing a complete range of industries and factories. Over the last 40 years, there has been a great increase in the types of iron and steel products produced, their quality has clearly improved, and there has also been a great improvement in economic results. Furthermore, there has been a marked improvement in energy conservation, conservation of materials, and environmental protection. Through 40 years of construction, the iron and steel industry has already developed into a major, powerful raw and semifinished materials mainstay industry that makes great contributions to the national economy.

Looking back at the course followed in the 40 years of development of China's iron and steel industry, we are able to draw many valuable experiences and inspirations on how we are to further develop China's iron and steel industry.

Correctly handle the relationships between the iron and steel industry and the overall national economic situation and between the various links within the iron and steel industry, so as to ensure the coordinated development of the iron and steel industry.

The iron and steel industry is a basic industry that provides metallic raw materials to the various sectors of the national economy. Regardless of whether we speak of construction in the manufacturing industry or agriculture, the defense industries, high-tech industries, or the daily life of the people, they all need the iron and steel industry. If a country such as China, with its huge population and vast territory, does not have its own strong iron and steel industry, it will not be possible to even talk about the building of a strong, modern socialist state. The iron and steel industry is also an intensive user of funds, a major user of energy, and a major user of transport. At present levels, the production of one ton of steel requires, on average, the consumption of 1.64 tons of standard coal, and the transport of about 5 tons of materials outside the factory. The consumption of energy by the iron and steel industry constitutes about 10

percent of the national total, and its freight transport of materials constitutes about 18 percent of the national figure for freight. Thus, the iron and steel industry is not only subject to financial restrictions, but also to the restrictions of coal, electricity, transport, and other conditions. This requires that, at the same time as setting down iron and steel industry development plans, the relationships between the overall and partial situations and between needs and possibilities be handled correctly. For quite some time in the past, we stressed the demands of the national economy on the iron and steel industry and paid insufficient attention to the restricting factors. On several occasions we put forward the demand to double steel production within a short period. The outcome was that the desired results were not achieved. We need to seriously draw lessons from this.

We should look at another side of the problem. In the 1970's and the early 1980's, when correcting mistakes brought on by "taking grain as the key link," some people in economic circles were influenced by some Western economic theories and held that the iron and steel industry was a "sunset industry," that it was necessary to reduce the speed of development, cut back on iron and steel output, and, in the future, stress developing newly emerging industries and establishing a light industrial structure. This idea resulted in the situation that the iron and steel industry was affected for a while, but facts proved that it was not in accord with China's national situation. Over the last 10 years, our country's iron and steel industry has seen an average annual growth of 2.76 million tons, and yet we are still unable to satisfy our needs and we continue to import a large volume of steel products. This fully demonstrates that our country's iron and steel industry must maintain a certain speed of development at the present stage. While impatience for success is inappropriate, allowing stagnation will similarly bring losses to the national economy.

Development of the iron and steel industry also requires proper arrangements for balanced coordination among the various internal specialties and the various links, so as to bring into play the superiorities of the iron and steel industry. In the iron and steel industry, there are many work processes. The course of circulation is a long one, involving vertical coordination among geological prospecting, mining, ore dressing, smelting, and rolling industries, and horizontal coordination among fire-resistant materials, ferroalloys, carbon products, and machine repair industries. Abroad, the fire-resistant material, ferroalloy, and carbon product industries are independent industries, while in China the iron and steel industry makes arrangements for them. Thus, a comprehensive balance and coordinated development are important.

In the past, we paid quite great attention to the opening up of mines, and iron ore production basically satisfied the needs of sustained development in the iron and steel industry. However, our country's resource conditions are not very ideal, the grade of ores is low, a large volume of material has to be stripped, a great amount of investment

is required, and the construction period is long. In the last few years, in a situation where funds have been scarce, mine construction has not kept up, resulting in the appearance of a "fault-line" in mine development. Mines are the basis of iron and steel production, and, if mines are not increased or extended, the iron and steel industry will have no raw materials for its production. Although in the future we want to appropriately increase the import of ores, domestic mine construction must still be managed well, as otherwise the efforts to maintain a certain speed of growth in the iron and steel industry will come to nothing. This requires the stipulation of appropriate policies to support the development of mines.

Following the technological advance of the iron and steel industry, there has been an increasing demand for manufactured products made from fire-resistant materials, ferroalloys, and carbon materials. In the past, these industries were thought of as supplements to the raw materials sectors and were not given due attention. In fact, their product types, quality, and functions directly affect the quality of steel products, the volume of material consumption, the length of furnace life, and the level of economic results. They are thus extremely important to the development of the iron and steel industry. In the future, these industries must be treated as basic raw materials sectors of the iron and steel industry. There must be more investment in them so as to promote the continual development of new product types, promote an improvement in product quality, and thoroughly improve the stagnant situation in these sectors.

In correctly handling the relationship between the transformation and expansion of old plants and the building of new plants, at present we must take the road of basing ourselves on existing enterprises and relying on the tapping of potential in order to transform and develop the iron and steel industry.

When New China was established, the base of the iron and steel industry was extremely weak and deployment was very irrational. Thus, the building of a number of new iron and steel enterprises was extremely necessary. However, in a situation where the base had already been developed and national strengths were insufficient, there was a need to switch construction to existing enterprises. After the 3d Plenary Session of the 11th CPC Central Committee, the development of the iron and steel industry changed from expansion of reproduction mainly through extension to expansion of reproduction mainly through improvement and upgrading of existing enterprises. Subsequently, the road was proposed whereby, basing ourselves on existing enterprises, we would engage in the tapping of potential, transformation, coordination, and expansion. Under the new historical conditions, this was a major switch in guiding ideology in the development of the iron and steel industry. From 1978 to 1988, our country's steel output rose by 27.65 million tons. Excluding the 3 million-plus-ton increase that resulted from the first stage of the Baoshan plant being put into production, the remaining

24 million-plus tons of increase came from old enterprises. The Anshan, Benxi, Shoudu, Baotou, Wuhan, Taiyuan, Panzhihua, and Maanshan iron and steel joint enterprises, through tapping potential and transformation, have raised steel output from 15.08 million tons in 1978 to 25.63 million tons in 1988, a net increase of 10.55 million tons. A large number of local iron and steel enterprises that developed since 1958 have seen rapid strengthening through coordinated transformation. Local enterprises with steel output in excess of 100,000 tons in 1988 totaled 35 in number, as compared to 16 in 1978. Of these, the steel output of Anyang Iron and Steel Company, the Handan Iron and Steel Works, the Jinan Iron and Steel Plant, the Kunming Iron and Steel Company, and the Jiangxi Steel Plant have increased one to two times and their outputs are in excess of 500,000 tons. This year, the steel output of Anyang Iron and Steel Company will probably reach 1 million tons.

The taking of this road has effectively promoted technological progress in old enterprises and is now changing the backward face of the production technology in our country's iron and steel industry. The iron and steel industry is a basic industrial sector serving the various other sectors of the national economy. Technological progress and new generations of products in the various sectors of the national economy require from the iron and steel industry continuous improvement in technology, improvement of product quality, and an increase in product types. This requires that the iron and steel industry itself carry out multilevel technological transformation in accordance with the principle that such changes are advanced, economic, and appropriate. Over the last 10 years, many enterprises have carried out different degrees of transformation with respect to various production processes. The Anshan Iron and Steel Works has adhered to the policy of transforming while producing. When there were major repairs to be carried out, major transformations took place; when medium-sized repairs were made, medium-sized transformation was carried out; and when there were small repairs to be made, minor transformation was effected. Whenever there were repairs, there was transformation. This meant that through their efforts the technology of the enterprises was continually renewed. In particular, over the last few years, all the major enterprises have, in accordance with the demands of international standards, carried out systematic transformation of the relevant production links, resulting in the dual international/domestic-standard production reaching 29 percent. Through transformation, there have also been obvious results in economizing on energy and on materials. In the last 10 years, steel output has grown 87 percent, but energy consumption has grown only 20 percent. In 1975, only 850,000 tons of joint cast steel blanks were produced the country. These constituted 3.9 percent of steel output. In 1988, the figure was 8.72 million tons and cast ratio constituted 14.7 percent of the total.

This road has also promoted improvement in enterprise operational management. Enterprises have begun to

switch their focus to the internal situation of their enterprise. They have begun to stimulate the spirit of the staff and workers to struggle to push forward and to be hard-working and thrifty. Looking within their enterprise, they have promoted the concurrent progress of science and technology and management. Thereby, they have greatly economized on funds and achieved benefits in terms of reduced investment, increased output, and faster results. In these 10 years, the iron and steel industry has used more than 30 billion yuan in renewal and transformation funds in these old enterprises, and the average investment for each newly added ton of steel output has been about half the figure that would have been required if a new plant were built.

In the future, we need to continue along this road and continue to tap potential from existing enterprises so as to ensure that the vigor of old enterprises is continually enhanced. However, at present, when enterprises are engaging in coordination, it is necessary to proceed from the overall situation and, on the basis of rational readjustment and maximized deployment of inventory, to avoid the situation where enterprises become "small but complete," "medium-sized and complete," or "large and complete" operations where each has its own policies and each forms its own system. In this way, we will be able to maintain the unity of macroeconomic benefits and microeconomic benefits. Of course, in order to increase the stamina of iron and steel industrial development and further improve deployment, it will be necessary to actively create conditions and establish new individual iron and steel production bases.

Bring into play the enthusiasm of the central authorities and the localities and, under the guidance of macroeconomic planning, adhere to the idea of "everyone engaging in iron and steel operations."

In the development of the iron and steel industry, different countries have different models on the issue of whether development is to be centralized or whether it should be run at different levels. On this issue, the development of our country's iron and steel industry has its own characteristics. In the early period after the founding of New China, our country basically followed the Soviet model, whereby everything and, in particular, the development of large-scale iron and steel joint enterprises, was centrally controlled by the state. However, because of our country's vast territory and the dispersed iron ore resources in many regions, together with the industrial and agricultural development needs of the various provinces, autonomous regions, and directly administered cities themselves, they all urgently wanted to develop iron and steel industries. In such a situation, the large, medium-sized, and small operations were all developed concurrently and the deployment of "three large plants, five medium-sized plants, and 18 small plants" was approved. During the Great Leap Forward, urging major participation by the whole people in iron and steel operations violated objective laws and some mistakes were made. However, we cannot give up eating for fear of choking, and fail to bring into play the

enthusiasm of the localities. Experiences over the last 40 years have proved that, in developing the iron and steel industry, large backbone enterprises with large-scale and high-level equipment are necessary; there is a need as well, through stimulating the enthusiasm of the localities, to appropriately develop medium-sized and small enterprises under unified planning. In this way a quite rational deployment and structure can be formed throughout the whole country.

After the 3d Plenary Session of the 11th CPC Central Committee, faced with the situation that our country's iron and steel industry lagged behind the needs of national economic development and considering the beneficial conditions and enthusiasm of the various regions for developing the iron and steel industry, we put forward the policy of "everyone engaging in iron and steel operations" under the guidance of macroeconomic planning and received positive support from all localities. Within a few short years, local iron and steel industries saw very rapid development. The root cause of this lay in the fact that the objective conditions existed and there was demand. Specifically, first, the majority of provinces had some medium-sized enterprises left over from 1958, when there was the great push to develop iron and steel, and these subsequently underwent readjustment, reorganization, and transformation. We called these "Kelang pigs" [ke lang zhu 0344 6745 3727]. That is to say, they had a basis for development and, through partial transformation and readjustment, they could immediately increase production. Second, in economic structural reform, limits on authority of local governments were expanded. In regions where there was a pressing demand for steel and where there was enthusiasm, resources, and production conditions for running iron and steel operations, they established a number of small steel plants and ferroalloy plants. These localities implemented quite preferential contracts for these iron and steel enterprises. Third, the medium-sized and small enterprises strengthened self-reform and management work and there was a clear improvement in the quality of enterprises. In the last 10 years, the steel output of local iron and steel enterprises has risen from 4.78 million tons to 13.67 million tons, an increase of 1.36 times, or an average annual increase of 11.08 percent. This was far higher than the 6.46 percent average annual growth seen in national steel output over the same period. The production level and management level of local enterprises have continually moved toward the levels of key enterprises. For example, in the index of comparable energy consumption per ton of steel, in 1979, the local backbone enterprises had a figure of 1.834 tons of standard coal, while that for key enterprises was 1.285 tons of standard coal. By 1988, these figures had fallen to 1.1 tons and 1.0 tons of standard coal, respectively, thus showing a great reduction in the disparity between them. A number of local enterprises, including the Handan Iron and Steel Works and the Anyang Iron and Steel Company, have already entered the ranks of state second-level enterprises. Some outstanding operators have also shown themselves among the county-run collective

enterprises and township and small town metallurgical enterprises. The Jiangyin Wire Rope Factory, the Jiangyin Steel Alloys Factory, the Zhangjiagang Iron and Steel Factory, and other enterprises produce products of high quality, have good results, and produce some products to fill gaps in the domestic production structure. Some of these have become export product production bases and all of them have been assessed as state second-level enterprises. After 1984, local citizens iron mines [di fang qun cai tie kuang 0966 2455 5028 6846 6993 4349] flourished in areas with scattered iron ore deposits. Now, their ore output volume has reached 34 million tons and this has powerfully alleviated the difficulties in the development of the iron and steel industry produced by the insufficiency of raw materials.

In the last few years, the development of the iron and steel industry has seen some phenomena worthy of attention. In a situation where there was a severe shortage of iron and steel and the price ratio between raw materials and processed goods was not rational, some areas were stimulated into blindly developing small blast furnaces, small rotating furnaces, small electric furnaces, small rolling mills, and small ferroalloy operations. In some areas, the situation came close to getting out of control. Some enterprises had high consumption and poor quality, and were competing for energy and resources with major enterprises showing good results. Within the scope of having "everyone engaging in iron and steel operations," this required industrial management to be strengthened and unified planning to be strengthened so as to facilitate all sorts of enterprises, under the guidance of macroeconomic planning and under the precondition of bringing into play overall results, being able to give prominence to their strong points, avoid their weak points, and being able to find their own place. At present, some regions have already adopted measures to readjust, merge, or stop production of those small enterprises that are inefficient or lack resources. This act will cause these regions' iron and steel industry to develop in a healthier way.

Persist in reform, propagate the contract system, and continually strengthen the vigor of large and medium-sized enterprises.

As far as iron and steel enterprises are concerned, the 10 years of reform have been 10 years of sustained, stable development, 10 years of continuous growth in economic results, and 10 years in which the level of technology and equipment has risen gradually.

Beginning in 1979, the State Council determined to carry out some experiments in terms of expanding the power of some state-owned industrial enterprises. Later, in some industries, including the iron and steel industry, policies including the freeing of prices for goods outside the plan, the reduction of some taxes, and the raising of depreciation rates were implemented. This played a

great role in increasing the vigor of enterprises. However, what had the greatest effect was the implementation of diverse contracted operation responsibility systems. For example, the Shoudu Iron and Steel Works, which adhered to the "contract as the base," saw sustained annual growth of profits of 20 percent during those 10 years. In 1988 its realized profits reached 1.614 billion yuan, and a total of 7.024 billion yuan in profits and taxes were handed up during the 10 years. It used its own funds to add new assets valued at 2.576 billion yuan, and finished product output increased from 1.169 million tons to 3.142 million tons. Also, the blast furnace, firing, and steelmaking workshops have carried out transformation in adopting advanced technologies. During the Sixth 5-Year Plan, of 110 large and medium-sized enterprises, 37 implemented contract systems during the whole period of the plan, and realized profits and taxes grew at the rate of 24.6 percent. The other 73 enterprises did not implement contracts for the entire period of the plan and saw growth of only 8.7 percent. As to the rate of increase in profits and taxes handed up, the first-mentioned 37 enterprises saw a growth of 17.1 percent, while the latter 73 enterprises saw an increase of only 3.7 percent.

The reason the iron and steel industry has obtained such good results through the contract system is mainly that, through the contracts, it has tightly linked the interests of the enterprise and the interests of the staff and workers with the responsibilities they shoulder and the contribution they make to the state. First, the contracts have basically adopted the form of "fixed base, guaranteed amount to be handed up, greater amount retained from income in excess of the base, and self-payment of any deficiencies in income." This ensures that enterprises independently take on operational risks and that production enthusiasm of the broad number of staff and workers is better motivated. Second, in the contracts, they not only guarantee that profits will grow and guarantee that there will be a progressive increase in unified distribution products, but also guarantee the completion of enterprise technical transformation tasks and the scale of enterprise development. This manages to prevent short-term activities quite well. Third, the governments of various places, in order to support development of the iron and steel industry, have adopted the policy of "providing water so that fish can be raised" and, to differing degrees, have provided certain preferential policies to iron and steel enterprises. This has increased the vigor of enterprises. Fourth, combined with the internal coordination reforms within enterprises, internal economic responsibility systems have been established and perfected within enterprises and this has promoted enterprise management work in an overall way. The Shoudu Iron and Steel Plant's internal economic responsibility system was implemented within the whole enterprise back in 1981. In the last few years, many enterprises have seen development in this respect. For example, in 1988, Anshan Iron and Steel implemented the "one system, two flanks" contract system. That is, on the basis of taking the original overall contract as the

main part, it implemented a scientific and technological results contract and a modern management results contract. In 1987, the Fushun Iron and Steel Plant implemented a "contract by which the entire work force takes on the risks" in some workshops. This increased the capacity of the enterprise to improve results through reliance on science, technology, and management.

In the coming two years, the contracts of many iron and steel enterprises will reach their expiration date. On the basis of the overall state plans for deepening reform, we must seriously sum up the experiences and further perfect the contract system. When specifically formulating contract plans, we need to see that the situation faced by the Eighth 5-Year Plan is very different from that faced by the Seventh 5-Year Plan. At the beginning of the Seventh 5-Year Plan, enterprises borrowed very little in credit and, thus, during the Seventh 5-Year Plan, many enterprises used their own funds, including profits retained under the contracts, and state credit to develop production. However, during the period of the Eighth 5-Year Plan, the enterprises will widely face a credit repayment peak and for many enterprises quite a proportion of retained profits will be used in repaying credit. Thus, in the further perfection of the contract system, we need to consider the actual situation and adopt appropriate policies so as to further strengthen enterprise vigor and increase self-development capacities. In particular, we need to adopt slanted policies for the small number of backbone enterprises that affect development of the overall situation and for major production bases that produce key products, such as the Anshan Iron and Steel Works and the Wuhan Iron and Steel Works, so as to promote the sustained and stable development of these enterprises.

Persist with opening up to the outside and using two types of resources, two types of funds, and two types of markets to speed the development of the iron and steel industry.

The policy of reform and opening up has provided a major opportunity for development of the iron and steel industry. Since the 3d Plenary Session of the 11th CPC Central Committee, the key iron and steel enterprises have imported 560 pieces of advanced equipment from abroad. Even Baoshan Iron and Steel Works has been involved in this. The total foreign exchange expended has been about \$6 billion. This imported technology has already begun to play a positive role in the various spheres of iron and steel production. It has been of benefit in raising product quality, increasing the supply of products in urgent demand, and economizing on energy and materials. Particularly pleasing is that, on the basis of the improved technology, the broad number of scientists and technicians in our country have actively digested and absorbed ideas and engaged in new creation, raising the general level of technology and equipment in the iron and steel industry. For example, of the blast furnace, steelmaking, and coking equipment for the second phase of the Baoshan Iron and Steel Works, although there has been foreign cooperation in their manufacture, the majority has been produced domestically.

Opening to the outside not only means importing advanced equipment suited to our country, but also paying attention to using foreign funds and resources. Our country is a developing country; much needs to be developed and domestic funds are limited. Furthermore, the iron and steel industry is a funds-intensive industry. In a situation where domestic funds are tight, the appropriate use of foreign funds will be beneficial to the development of the iron and steel industry. Since the 1960's, many developing countries have adopted this policy for developing iron and steel production. We need to combine the import of equipment with the use of foreign funds, actively do well in related work, and positively strive to obtain credit on preferential terms.

Positively utilizing foreign resources is also a major aspect of opening to the outside. For a long time, considering the richness of China's iron ore reserves, we were restricted by our traditional concepts and required that all our mineral materials be supplied from domestic sources. However, after conducting an objective, sober analysis of the resources situation, it was discovered that the amount of resources that can be developed and utilized in the near-term was not great. Further, due to factors such as low grades, the great volume which has to be stripped, the long cycle of mine construction, high investment and slow results, the iron and steel industry—which even originally was lacking in funds—saw increased difficulties. The open policy has caused us to broaden our gaze. Why not use all the elements abroad that we are able to use, and make use of strengths around the world to make good our own weaknesses? Facts have shown that at the same time as positively developing our country's mines, appropriately importing ore from abroad is at least more worthwhile than importing steel products. Thus, proceeding from our country's present situation, this should be a long-term strategic policy. In order to achieve stable ore resources, the China Metallurgical Import-Export Corporation has already developed, in cooperation with the Hammersley Corporation of Australia, the Qiana [1874 6719] iron ore mine. The first phase of the project will go into production next year and when the whole project is completed, annual production of rich iron ore will be 10 million tons. In the future, we should further arrange, in a planned way, cooperation with and opening of mines in relevant countries.

Importing advanced technology from abroad and using foreign mineral resources will enable us to improve the technological and production levels of our country's iron and steel industry, increase the supply of raw materials, improve the product structure, and gradually replace imported steel materials. Seen in basic terms and from the long-term view, this is a project for saving foreign exchange. However, in the short-term, it will require quite a large amount of funds. In order to guarantee the foreign exchange needs for importing raw materials, we need to stress expanding the export of products and thereby use exports to fund imports. By the end of 1988, the China Metallurgical Import-Export Corporation had

exported a total of 6.4 million tons of metallurgical industrial and mineral products, earning \$1.168 billion in foreign exchange. The China Metallurgical Construction Company, which was established in 1982, positively developed foreign-project contracts and labor-cooperation business and, in recent years, has developed into one of the foremost foreign-contract companies in the country. It has signed a total of 340 contracts with a total value of \$670 million, and it uses its foreign exchange profits to support the development of the iron and steel industry. In the future, we need to further increase the capacity of the iron and steel industry to earn foreign exchange so as to achieve the situation where "exports guarantee imports and imports guarantee production." The first step is to resolve the problem of the foreign exchange to be used to import raw materials and equipment for production, so as to form a fine cycle of imports and exports, with the goal of guaranteeing normal production. The next step will be to resolve the problem of foreign exchange to be used by enterprises which have employed foreign funds to repay their debts and to appropriately import advanced technology and equipment.

We are now only 11 years away from the year 2000. The iron and steel industry faces extremely difficult tasks. In order to face the demands of national economic development, in the future we not only must maintain a certain speed of growth, but, more important, we need to take product types and quality as a strategic focus in the development of the iron and steel industry. We must readjust the product structure, strive to raise the proportion of plates and pipes, and strive to raise the proportion of high-efficiency steel materials, such as alloy steel and dilute-alloy steel. We need to realize a marked improvement in product quality, so that over 60 percent of the steel material products produced reach world standards. Of these, a portion must reach current international advanced standards. We need to further readjust the relationships between the various production links within the iron and steel industry, and strengthen the weak links including mines, fire-resistant materials, ferroalloys, and carbon products, so that the iron and steel industry sees coordinated development. If we are to realize these goals, it requires that, under the precondition of adhering to the fundamental principles of building the country, we must unwaveringly follow the path of increasing national strengths, rely on scientific and technological progress, rely on strengthening management, and rely on improving the quality of staff and workers, so as to raise the iron and steel industry to new heights.

Mao Zedong and His Secretary Tian Jiaying, Part I
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[Article by Feng Xianzhi (6646 0341 4249) of the Party Literature Research Center, CPC Central Committee]

[Text] Editor's note: The author has written this article to commemorate Comrade Tian Jiaying. The article, about 60,000 characters long, appears in the commemorative volume Tian Jiaying—Mao Zedong's Secretary, to be published soon by the Party Literature Publishing Unit. Also appearing in the volume are articles and poems by more than 20 comrades, including Yang Shangkun, Hu Qiaomu, Deng Liqun, Hu Sheng, Liu Dainian, Mei Xing, and Ma Zhongyang. We have obtained the author's consent to publish his article in installments in *Qiushi*.

During his life Mao Zedong used many secretaries. Some of them, including Tian Jiaying, were outstanding. Tian served as secretary to Mao for 18 years, from October 1948 to May 1966.

I first met Tian in March 1950, when I was transferred to the Political Secretariat Office, Secretariat of the CPC Central Committee. After that, I worked under his guidance. In November 1950 I was assigned to look after Mao's library and so I worked near Mao. This lasted until I left Zhongnanhai in May 1966.

In this article I recollect what I saw and heard, and report to the readers what kind of secretary Tian was to Mao, and the relationship between the two. I also document some facts about Mao and Tian.

I. Initial Examination

Tian described to me what it was like when he started working for Mao. "What do you think about working for me?" Mao asked Tian. Tian replied, "I aim not at rendering outstanding service. I aim only at not committing errors." Obviously Tian's reply did not satisfy Mao, but it was an honest one. Everyone knew that it was not easy to be Mao's secretary. Tian was only 26 then, and he knew the responsibilities and importance of this post. Once Mao invited Tian to a meal. Usually Tian could hold a lot of liquor, but that time he got drunk after drinking a little. This showed how nervous Tian was as the new secretary to Mao.

Not long after Tian assumed the post, Mao gave him verbal instructions and asked him to draft a telegram on the spot. Tian told me he felt it was like an examination. Later, Mao sent him to a city in the northeast for an investigation. Tian asked Mao for some instructions. Mao did not give any, but said, "You just make a tour of the city, have a look at the streets, shops, factories, and how people live, and then make a report to me." This was perhaps Mao's unique way of assessing cadres. To Tian it was like another examination.

Hu Qiaomu recommended Tian to Mao. In 1943 Tian was in Yanan and Hu transferred him from the Central Political Research Center to the Propaganda Department. For some time, work in the department was not too busy. Under Hu's leadership, Tian and Zeng Yanxiu volunteered to help compile language textbooks for junior secondary schools in the Shaanxi-Gansu-Ningxia border region. There were three grades in junior secondary school and six volumes of textbooks had to be

compiled. These textbooks became very popular. People spoke highly of them even afterward. Hu Qiaomu had high esteem for Tian and so recommended him to Mao. By this time the party Central Committee had moved to Xibaipo. Actually, even earlier, in Yanan, Tian's name had come to Mao's attention. Mao liked Tian's essays on history published in JIEFANG RIBAO. Once Tian lectured to cadres on classical Chinese writings. Mao happened to be taking a walk nearby. Attracted by Tian's lecture, Mao stopped outside the classroom and listened.

II. Deep Affection and Common Interests

A deep relationship had grown from the long-time contact between Mao and Tian. Mao liked Tian very much and Tian ardently loved Mao.

In the 1950's, Mao talked to Tian or assigned work to him almost every evening. They talked about a wide range of subjects. Be it history, the current situation, politics, or life in general, there was always a new subject. Mao was a politician, a poet, and a writer. Tian admired him for his rich knowledge, broad range of thinking, and wonderful memory. Mao had much influence on Tian's political and ideological growth. Liu Yazi wrote in his diary that "Tian Jiaying called and we talked about politics and classical poems. He had profound views and must have been influenced by Chairman Mao."¹ Tian loved visiting old book stores. We often visited Liulichang after dinner and each time we would bring back a bunch of books. Several times when we were away in the bookstores, Mao looked for Tian, and his bodyguard even telephoned the old book store in Liulichang to see if it could locate Tian.

I remember that, in 1951, Tian had caught a bad flu and Mao went to see how he was. Tian felt very warm and told his wife, Dong Bian, that "Chairman Mao values his relationship with us. He has an affection for people around him." Two days later, on a Sunday, Jiang Qing came, too. As soon as she stepped into Tian's bedroom she exclaimed, "Oh, your place is like a doghouse!" Tian was displeased. At that time Tian lived in a side room with three partitions facing the west in Jingguyuan, Zhongnanhai. A portion of his office was used as his bedroom. It was less than three square meters and there was just enough room for a single bed. The room was humid and had a pungent, mildewy smell. The floor was worn, too. Tian lived there for nine whole years. Tian moved there in the summer of 1949. Before, then Hu Qiaomu and his family had already settled nearby in another side room with three partitions facing the west, to the north of where Tian would live. Hu's place was similar to Tian's, but slightly more roomy. Mao had visited both of them. In the second half of 1950, Hu was appointed vice minister and secretary general of the Standing Committee of the Propaganda Department and therefore had to move to Laifutang which was northwest of Chunouzhai. Hu and Tian were no longer neighbors, but they still saw a lot of each other. I should add that the buildings mentioned here have long been demolished and most of them have disappeared.

In 1958 the party Central Committee mobilized the cadres to transfer to a lower level. Several party committee secretaries at the municipal or provincial level proposed that Tian be transferred to their office. However, they were all turned down by Mao, who said, "I cannot send Tian down. On this matter I cannot be consistent in words and in action."

Mao was concerned with not only his staff around him, but also their families and spouses. Mao was an attentive man. Every Saturday he would ask his secretary to go home for the weekend. Mao was so busy all the time, yet he would not forget little things like this. One cannot help being moved. Once Tian had to take a business trip. Mao told him that he should take his wife, Dong Bian, with him. Tian said, "I cannot take her." Mao then asked about where Dong worked. When someone said Dong was with the periodical ZHONGGUO FUNU, Mao said, "Oh! She also writes, just like Tian."

Mao lived a thrifty and simple life and was strict with his children. This impressed Tian a great deal. In 1949 Mao had just moved into Fengzeyuan, Zhongnanhai, from Xiangshan. A comrade who worked near Mao, seeing that Mao's chair was too old, was so kind as to replace it with a new one. When Mao saw it, he was furious and had that comrade brought to him. He criticized the comrade and stressed repeatedly that no new chair should be brought in. Mao's daughters Li Min and Le Na both lived in Zhongnanhai and had their meals with ordinary staff in the mess hall. Tian said to his wife, "The chairman is strict with his children, who do not enjoy any privileges and are thrifty and simple. All leaders should be like him." I also remember another thing. It was 1950. One day, one of Mao's daughters was singing in the courtyard, "Without the Communist Party there would not have been China." When Mao heard this, he corrected her at once and said that long before the emergence of the Communist Party there was China, and that the words should be "without the Communist Party there would not have been New China." About this time Mao brought this issue to a meeting of the party Central Committee. Since then the words of this very popular song had been changed in this way.² Mao's eldest son, Mao Anying, had lived abroad for a long time. His Chinese was rather poor. He lacked an understanding of Chinese society and had not been tempered by actual struggle. In December 1948 Mao asked Tian to be Mao Anying's language teacher. Mao also sent Anying to take part in the land reform. In the early years of New China, he sent Anying to the front line in Korea to be tested and tempered with fire and blood. Mao had always been concerned with the growth of the children of cadres, including his own children, especially after the victory of the revolution and our party's coming to power. He once said that "I'm worried about our cadres' children. They lack experience in life and in society, but they put on airs and think too highly of themselves. We must teach them not to rely on their parents and the revolutionary martyrs. They must rely on themselves."³ It was under strict education by his father that Mao

Anying grew up to be a model for children of cadres. Tian Jiaying often praised Mao Anying to Dong Bian and me, and said that Anying loved to learn and was thoughtful and promising. He regretted very much about Anying's sacrifice in the Korean war and cherished the memory of Anying.

Tian and Mao shared many hobbies. Mao loved reading classical Chinese texts, Chinese history, classical Chinese literature, and especially classical Chinese poetry. Tian was also interested in these areas. While Tian's knowledge in no way could compare with Mao's, he had read a great deal of classical texts and poems. He also had a photographic memory. He could recite fluently many classical texts and poems almost without making a single mistake. I was amazed at his gift and envied him for that. He could also write poems. Some of his poems had the unconventional free spirit of Su Dongpo and the solemn and moving air of Xin Qiji, others had the romantic lyricism of the three Li's. His poems are simple and easy. Although he employed allusions, they were not obscure ones. Mao often asked him to look for the source of a verse line and he could find out the answer in a short time. For example, on 29 December 1964, Mao asked Tian to look for the author of the poem "Sanchuitong" and when it was written.⁴ It took Tian only a short time to find the answers. Another example was that on 24 April 1961, while we were conducting a survey in Hangzhou, Mao asked Tian to find the names of tunes for the six ci (6101) poems he had written about 1929 and to find the allusion for the line "Gonggong's angry touch with Beizhou Mountain." It took Tian little time to complete this task. At that time Mao had agreed with the editorial office of RENMIN WENXUE to have these six poems published.

Tian had a rich knowledge of Chinese history from ancient to modern. He read widely, including literary sketches, and so had a broad knowledge base. In the early years of liberation, he used his spare time to write a long article entitled "A History of the Lives of Chinese Women," which was published in a series in XIN ZHONGGUO FUNU. It started from Nuwa in ancient Chinese mythology to the feudal society, including the marriage system, prostitution system (Tian believed that witches were the first prostitutes in China), women's status in the family, and so forth. This article examined the lives of women in ancient China from the historical materialist point of view. It quoted copiously from many sources, was rich in content and vivid in style. It was a fascinating piece. It is a pity that busy work had kept Tian from completing the article.

Mao was a first-rate calligrapher. He was especially good at the cursive style. He loved reading calligraphy copybooks, especially those in the cursive style. This was his favorite pastime. For him it was the best way to relax. Of cursive calligraphy, Mao liked Huaisu's the most. Many times he asked for Huaisu's copybook entitled *Autobiographical Note*. When we saw good calligraphy copybooks by Huaisu, we would buy them for Mao. On 27

October 1961, Mao wanted to read Huaisu's *Autobiographical Note* and had us put all his calligraphy copybooks beside him. Since then, we had bought many copybooks in Beijing and from other provinces, and put them in the reception room next to his bedroom. They filled three or four bookcases. Calligraphy copybooks were everywhere in his bedroom, on the tea table, the bed, the desk, so that he could appreciate them any time. On 10 December 1964, Mao wanted to see the copybook entitled *Thousand-Character Essay* in different calligraphic styles and by different calligraphers. We quickly collected more than 30 versions for him. They included all styles, the running style, cursive style, official style, and seal style. However, most of them were the running style. Great calligraphers since the Eastern Jing dynasty were included, namely, Wang Xizhi, Zhiyong, Huaisu, Ouyang Xun, Zhang Xu, Mi Fei, Emperors Huizong and Gaozong of the Song dynasty, Zhao Mengtiao, Emperor Kangxi of the Qing dynasty, and so on, and Yu Youren of the modern era.

Besides buying calligraphy copybooks for Mao, we sometimes borrowed authentic works of great calligraphers from the Palace Museum for him. In October 1959, Tian Jiaying and Chen Bingchen borrowed 20 pieces of calligraphy and painting from the Palace Museum, of which eight pieces were calligraphy by great calligraphers of the Ming dynasty, including Xie Jin, Zhang Bi, Fu Shan, Wen Zhengming, Dong Qichang, and so on.

Tian's calligraphy was not particularly good, but he loved to appreciate calligraphy, and was really into rubbings from stone inscriptions, calligraphy, and paintings. He had collected more than a thousand pieces of calligraphy by Qing scholars. No other individual collector surpassed him in completeness and quality of works collected. He often hung his favorite antithetical couplets and central scrolls in Mao's bedroom for Mao to appreciate.

Of Tian's collection, Mao's original handwriting was regarded as a treasure. He had all Mao's original handwriting in his possession nicely framed and said that "these are all national treasures." He would show them to close relatives and friends only. After his death they were given to the Central Archives.

III. Rebuilder and Pioneer of Party Work on Visits and Letters From the People

In 1949 the party Central Committee moved to Beijing and there was a growing number of letters from the people. Mao read almost all the letters himself and Tian helped him to handle them. At that time Mao was still living in Xiangshan. Most of the time Tian answered the letters for Mao. According to Dong Bian, in those days she had to spend half a day addressing the envelopes for Tian when they came home on Sunday. The ever-increasing number of letters from the people led to setting up an office especially to handle for Mao and other leaders of the central government visits and letters from the people. (This was the Political Secretariat under

the Secretariat of the Party Central Committee. It was later renamed the Secretariat under the General Office of the Party Central Committee.) Tian was one of those in charge of this office. By that time he had moved to Zhongnanhai.

Tian was very organized. He was the first to group the letters from the people by subject, such as 'views,' 'decision required,' 'suggestions,' 'tributes,' 'old friendship,' and so forth. The letters were handled in order of priority. Dong Bian sewed some white cloth bags, each to hold a category of letters. This was the earliest categorization. There was staff to handle the letters. This practice was used for many years. Later, the number of visits and letters had grown to the extent that rendered this approach ineffective and the letters began to be grouped by region, which remains the practice today.

Mao valued letters from the people. In his report to the Secretariat of the General Office of the Party Central Committee dated 16 May 1951, on how to handle letters from the people, he stated that "we must value correspondence with the people and properly handle letters from them. We must satisfy reasonable demands of the people and see it as a means to strengthen communications between the Communist Party and the people's government on the one hand and the people on the other. We should not be bureaucratic and ignore the letters. If there are too many letters, an office or positions should be created specifically to handle them. If there are not that many of them and the leader and his secretary can handle them, there is no need to create new posts. The following is a report of the Secretariat that handles letters from the people on their work in the first three months of this year. The report is for your reference. To me the view of the report is correct." These words of Mao are still the basic attitude and guiding thought that our party and government should observe in handling letters from the people.

Mao valued letters from people of all walks of life, especially those from workers and peasants reflecting their views and requesting resolutions to their problems. Beijing Shijingshan Power Station and Shijingshan Steelworks each sent a letter to Mao on 27 and 31 August 1951, respectively, revealing the unreasonable wage conditions in their factory and proposing ways to improve them. The comrade responsible for handling these letters did not report them to his superiors in time and the letters had to wait a few days before Mao knew about them. Mao was furious and said, "If a member of the Communist Party does not serve the working class, how can he be a member of the Communist Party?" His criticism was harsh. Tian shouldered the responsibility for that comrade and made a self-criticism. Having read the two letters, Mao replied on 12 September. One of the replies can be found in *Selected Letters of Mao Zedong*. It was less than a half month between the time when the letters arrived and Mao's replies. Of course, I admired Mao's wholehearted dedication to serving the working

class, but I was also deeply moved by Tian's virtue of shouldering responsibility for someone else's dereliction of duty.

I was also moved by another incident.

In the summer of 1950 there was incessant downpour in the area between Anhui and Henan Provinces. The disaster in the north Huai region was the worst in a century. Tian told us that, while reading reports on the north Huai region disaster, Mao came across a telegram saying that some victims of the disaster, not being able to flee in time, had to climb trees and were bitten to death by snakes, and that Mao was in tears. When Tian recounted this to me, he was almost in tears. It has been almost 40 years, and I still remember this incident very clearly. Recently, I have been able to locate the telegram in question, part of which read "because the flooding was so severe, a total of 489 people could not flee in time. Some of them climbed trees and then fell into the water, some of them stayed in the trees but were bitten to death by snakes, others were in small boats and died when the boats capsized in the torrents." Mao underlined the words "bitten to death by snakes" and "a total of 489 people." From 20 July to 3 August 1950, Mao passed three reports on the north Huai region disaster to Premier Zhou Enlai and raised the issue of eradicating the problem of the Huai He. It was still the beginning of the new nation, China was still under economic constraints. Mao was resolved to eradicate the problem of the Huai He so as to save the people as well as to develop the economy. This was a big issue. The reduction and even elimination of the disaster caused by waterlogging in the Huai He basin owed much to the success of this water conservancy project. Mao's deep affection for the laboring masses and determination to help them resolve their problems deeply impressed my young mind. That year I had just turned 20.

In the early phase of liberation, the nation was still in difficulty. The party and the people's government had to make a great effort to provide employment for a large number of jobless people. Even so, this problem remained a grave one until 1952. Since the winter of 1951, the Secretariat had been receiving many letters reflecting the extent of unemployment. On 27 May, 1952, the Secretariat sent a report to Mao, saying that 645 letters had been received from January to April that revealed the state of unemployment and requested jobs, of which 32 percent were from intellectuals, 24 percent from workers and shopkeepers, 20 percent from former government employees and soldiers disbanded by the Kuomintang, and 10 percent from poor urban dwellers. Mao attached much importance to this report. He passed it to Premier Zhou on 31 May after having read it and writing comments on it. He wrote in the comments that "the unemployment problem is still quite serious. Please read this document. Perhaps a conference on how to deal with the unemployment problem should be held by the Central Labor Ministry or directly by the Government Administrative Council and attended by delegates from

the provinces and major cities so as to develop measures to resolve the problem. Please consider it and act accordingly."

1 July 1951 was the 30th anniversary of the founding of the party. Many cadres and people, including many intellectuals, out of their love for the CPC and Mao, sent letters of homage to the party Central Committee and Mao. However, from April on, some districts mobilized the masses (at times by force) to write letters of homage to the party Central Committee. Later such cases grew in number. All and sundry letters of homage rushed in. The Secretariat could not handle them all and had to draw on a number of comrades from other offices. These letters filled a whole room. The report of the Secretariat to Mao dated 30 April mentioned this matter, saying that "another 9,000 or so letters came in bunches as a result of local governments mobilizing the masses. Some are still on the way in the mail." When Mao passed this report on, he put a comment beside the above lines: "It is not good to mobilize the masses to send letters of homage. This should not happen again in the future." However, some localities ignored the comment and continued with what they were doing. In another report by the Secretariat that Mao passed on to others on 25 December, Mao acutely criticized such formalism, which wasted time and energy and caused a negative political impact. He stated that "this report mentions that some party and government offices mobilize the masses to send letters and telegrams of homage to the central government, and that offices, organizations, and the masses send silk banners and gifts to the central government. This is not only a waste, but also a political error."

Mao was quite harsh in his criticism of people. The delay in reporting letters to him as mentioned above was an example. However, when you had explained the whole thing and he was convinced, he would even praise you. An example of this could be found in the work on visits and letters from the people. In those years most of the letters Mao had written were registered in the Secretariat and then mailed. To keep Mao's writings, Tian had the comrades in charge of letters make a copy of each letter before mailing it. Once, a letter was sealed, so the comrade opened it and copied it. Coincidentally, Mao wanted this letter back to make some changes to it and thus discovered that the letter had been opened. Mao was angry and said he would punish some people. The Secretariat immediately wrote a self-criticism report and explained why letters were copied for filing purposes. Mao found the report convincing and wrote a comment on it to the effect that it was a good idea and should be kept. He also gave instructions that, apart from some exceptions, photographs of all the letters he wrote from then on should be taken. Therefore, all letters from Mao since the 1950's were photographed. We should thank Tian for this. We are able to keep valuable literature for the party and for later research on Mao thanks to his suggestion.

Not only did Tian help Mao to handle letters from the masses, he was also Mao's secretary and was responsible for contacting and receiving members of the masses, Mao's relatives and friends, and well-known democratic personages who paid visits to Mao. For example, Yang Buhao, the labor hero who helped Mao in the Great Production Campaign in Yanan to open up wasteland, and other model workers came to Beijing to visit Mao. Mao's relatives and friends Wen Yunchang, Mao Zelian, Wang Shulan (wife of Mao Zemin), Yang Kaizhi, and so on, also came. Tian arranged room and board and receptions for them all. Then Mao would see them and invite them to a meal. The money Mao gave to his relatives and friends all came from his royalties and it was always handled by Tian. When Mao's cousin Wang Jifan was ill, Tian was asked to visit him. When nonagenarian Qi Baishi wanted to reveal his innermost thoughts and feelings to Mao, Tian was sent to Qi's place to listen. When Xu Beihong passed away, Mao delegated Tian to send his condolences to Xu's wife, Liao Jingwen, at Beijing University. Sometimes Tian accompanied Mao when the latter invited democratic personages to a banquet.⁵ During the Chinese New Year of 1951 and 1952, Mao had some food delivered to some well-known nonparty personages as a show of friendliness. It was Tian and I who did the delivery to each of the households. I remember a few dozen people were included. They were Song Qingling, Zhang Lan, Li Jishen, Shen Junru, Chen Shutong, He Xiangning, Guo Moruo, Qi Baishi, and others.

The work of the party Central Committee on visits and letters from the people kept expanding with the development of the work of the party and the nation. Such work reflected the sentiment of the masses and enabled close contact between the party Central Committee and the masses. It helped the party Central Committee and Mao to understand the sentiment of the people and to formulate policies. For example, at the beginning of liberation the guiding principle of "dividing equally among five people the rice that is enough to feed three people" was implemented.⁶ The curricular burden of institutes of higher learning was reduced. The livelihood of students was improved. Struggles were conducted to fight bureaucratism, commandism, and violation of the law (that is, the new movement against the three evils). All these and other important policies were formulated on the basis of opinions and proposals expressed in the people's letters. During the three difficult years, democratic life within the party had been seriously hampered because 'rightist opportunism' had been harshly criticized at the Lushan Meeting. The people dared not reveal their inner thoughts or to report the actual situation. In the party central office some comrades responsible for the work on letters tended to think it was safe to be 'leftist' rather than 'rightist.' Tian patiently advised them to put the people's interests as their priority, and that to be concerned with the people's livelihood was to pass to the party Central Committee and Mao in time letters that

reported the people's difficulty and criticized shortcomings and errors in the party's work. He stressed repeatedly that comrades that performed the letter work must protect those who wrote the letters, and that they should be able to distinguish the two forms of contradiction and should not classify as counterrevolutionary all letters that expressed discontent about reality. Tian made a verbal report of this opinion to Mao and it gained Mao's approval. However, during the Cultural Revolution, these correct ideas and deeds of Tian's were condemned as an "antiparty crime" and were criticized as a "revisionist line in the work on visits and letters."

From the time it started in 1949 to the beginning of the Cultural Revolution in 1966, under the care and guidance of Mao, the direct guidance of Yang Shangkun, director of the Central Committee General Office, and the effort of Tian and comrades of the Secretariat, the work of the party Central Committee on visits and letters grew from nonexistence to existence and from small scale to large scale. A more scientific work process and system was developed. It was gradually improved and set a foundation for the party's work on visits and letters.

IV. Editor and Publicist of the Works of Mao Zedong

In May 1950, the Political Bureau of the Central Committee decided to set up a committee to edit and publish *Selected Works of Mao Zedong*. This task was conducted under the direct guidance of Mao. Tian Jiaying, Chen Boda, and Hu Qiaomu were the chief members of the editorial committee. (Hu was responsible mainly for editing the grammar, rhetoric, vocabulary, and punctuation in Volumes 1 to 3. He became responsible for all aspects of the editorial work only from Volume 4 on. Chen did not take part in the work on Volume 4.)

The editorial work on Volumes 1 to 3 of *Selected Works of Mao Zedong* was basically done by Mao himself. Not only did he select the works, design the contents list, and revise most of the pieces meticulously, he also wrote the explanatory notes on the titles or backgrounds of the pieces and annotations. Most of the changes involved the language, a few of them involved the content. After the revision, both the content and language had improved. Of course, in retrospect, the editing of the volumes was not flawless. It would be much better if the author had kept the original version of the documents by adding major changes in annotations and the editors had noted when and where each piece had been first published and the differences between the versions. This is something editors of historical documents should pay attention to.

Tian took part in the whole process of editorial work from Volumes 1 to 4. He did most of the annotations. He also organized the publishing and translation of the volumes. Whenever a volume was out, he wrote review articles or drafted articles for XINHUA NEWS AGENCY to introduce it.

In the following, I quote four letters written by Mao to Tian in March and April, 1951 to reveal some aspects of

how Mao edited his own works and some of his thoughts. They also showed how Tian worked. At that time Mao lived in Shijiazhuang.

First letter:

Comrades Boda and Jiaying:

I have revised "On Contradiction" once. Please have have two copies of its final proof made, one for Boda and the other for me. The last few paragraphs of "On Formal Logic" do not read smoothly. They need revision.⁷ Some other places require minor revision.

Having re-read this piece, I feel that it should not be included into *Selected Works* this time, for it reads like a philosophy textbook.⁸ If it appears in *Selected Works* it will affect the impact of the article "On Practice." What do you think? We can decide on this in the future.

You don't have to come here for the time being. Come when the final proof of "On Contradiction" is completed and proofread and some of the other articles have been read, which means about the 15th of the month.

Mao Zedong, 8 March

Second letter:

Comrade Jiaying:

Please send me immediately the original of "On Contradiction."

Whenever proofreading is done, the original and the final proof must be passed to me.

Please also send the originals of the previous manuscripts.

Mao Zedong, 15 March

Third letter:

Comrade Jiaying:

Please do not send "The Status of the CPC in the Civil Wars" and "On Contradiction" for translation. Please send them to me after proofreading.

Please send also the articles that have been annotated and typeset.

Mao Zedong, 1 April

Fourth letter:

Comrade Jiaying:

1. Of the documents you sent me, "The Order of the Military Commission of the CPC Central Committee to the People's Liberation Army on 21 April, 1949" is missing. Please send it for proofreading.

2. Please have the final proof of the chapter "The Classes in the Struggle" in "Investigation of Xingguo" sent to me. It is missing from the typeset pieces with me.

3. Please promptly send the annotated documents to me so I can read them.

Mao Zedong, 7 April

I think I should especially touch on how Tian collated Mao's speeches. In *Selected Works of Mao Zedong* are several important speeches, for example, "The Situation After Our Victory in the War of Resistance Against Japan and Our Guiding Principle," "The Negotiation in Chongqing," "Speech to the Editorial Staff of JINSUI RIBAO." They were all edited by Tian. The same was true for "Speech at the Conference on CPC Propaganda Work" in 1957. After Tian's editing, Mao read and revised it several times and made significant additions to it. Tian said at times it was more difficult to do his own writing than to edit Chairman Mao's speeches. There is truth in this statement. When you edit a speech you have first of all to be faithful to the meaning and stick to Mao's unique style. It is not easy to do so.

Tian was extremely serious in work and expected others to be the same. I felt this strongly in my involvement in the editorial work on *Selected Works of Mao Zedong*. When I was still new at this job, I made a mistake when proofreading an article and was harshly criticized by Tian. Later I made another mistake and he criticized me even more harshly. For these I had to write two self-criticism reports. I was very depressed in those few days and Tian was aware of it. One evening Tian could not find me and he became very anxious. He feared that I might have committed suicide. (I was young then and he feared that I could not stand such harsh criticism.) So he looked for me everywhere in Zhongnanhai. It was only when he saw me that he was relieved. Although Tian was harsh when he criticized someone and his words were incisive, he was never unreasonable. He did not throw out criticism without reasoning. He would rather explain in rich detail and in an appealing way. You felt that his heart was warm and that he did it only out of love for you. You would be totally convinced. Under Tian's direct guidance and help in my involvement in editorial work on *Selected Works of Mao Zedong*, I learned to work carefully and seriously. I have benefited from this training all my life.

As early as the Yanan days Tian began to study Mao's works. After becoming Mao's secretary, the first thing he did was to become familiar with Mao's works. He grouped paragraphs of quotations from available works of Mao under different headings. They filled five thick volumes. (He used thick paper, so the volumes were heavy.) After liberation, ZHONGGUO QINGNIAN CHUBANSHE published them as *Study Notes of a Comrade*, for internal circulation. This was the first volume of quotations by theme from Mao's works.

Having edited Volumes 1 to 3 of *Selected Works of Mao Zedong*, Tian knew Mao's works even better than before. He was an ardent publicist of Mao Zedong Thought. In the 1950's, the vast number of cadres were eager to read Mao's works. Tian had made many presentations to office cadres and members of cadres' schools on *Selected Works of Mao Zedong* and helped cadres to understand and study Mao Zedong Thought.

Mao's influence on Tian was most felt in two basic views. The first was the care for the lives of the masses and wholehearted service to them. Tian once told me that he had been so absorbed in Mao's spirit of caring for the masses that it seemed to have entered his blood. The other was seeking truth from facts. In the early 1950's Tian compiled into a small book his articles on Mao Zedong Thought that had appeared in the periodical XUEXI and entitled it *Learning To Serve the People*. The two basic views ran through the whole book. I am not saying that Tian had become perfect in translating these views into action, but they did become the main part of his ideology, and he did try to act accordingly. During the years and all kinds of political turmoil that followed, he was able to adhere to the right direction, dared to struggle without fear against wrong ideology, practice, and evil forces in the party, and remained a true communist, mainly because he adhered to these two basic views.

In 1960, seven years after the publication of Volume 3 of *Selected Works of Mao Zedong*, Volume 4 was published. Mao could not take part in editing Volume 4 as he had done for the previous three volumes. He read the manuscripts that had been edited by others, mainly Hu Qiaomu, Tian Jiaying, Xu Liqun, and Xiong Fu, and decided whether they needed further change. In this volume, important explanatory notes on the title and annotations of ideological and theoretical content were all done by Hu. (An example was the annotation on the subject of rich peasants in "The Current Situation and Our Task.") "Work Methods of the Party Committee" was edited by Xu.

Volume 4 of *Selected Works of Mao Zedong* contained Mao's writings during the war of liberation. It was a record of the revolutionary victory of the Chinese people. It reflected the heroic spirit and revolutionary strength of the Chinese people who were courageous in their struggle and victory. Mao was particularly excited in reading over Volume 4. When he was reading such articles as "The Situation After the Victory in the War of Resistance Against Japan" and "The Negotiation at Chongqing," he laughed aloud every now and then. The pieces in Volume 4 had important content, profound thoughts, and first-rate use of language. It was highly artistic and adequately revealed Mao's unique style. "On the People's Democratic Dictatorship" was a representative piece. Tian told me that before writing this piece, Mao sat there for a whole day and was so absorbed in composing it that he hardly moved. Then, he spent a whole day writing this famous piece of close to 10,000 characters nonstop, even forgetting his meals. This

article is well thought out, simple, concise, and powerful. It formed one of the theoretical bases and policy bases for the building of New China. Its basic ideology is still very much alive today.

While editing Volume 4 in 1960, Tian also took part in the editorial work on Volume 5. He was doubtful about publishing Volume 5 and for this he was criticized by Kang Sheng. Tian thought that some of Mao's works written during his socialist phase were immature, some were even erroneous. He was not a blind follower of Mao. Mao himself said many times that his works of the socialist phase had yet to be evaluated with more practice and tests. Of course, many of Mao's works written after the founding of the PRC could stand the test. He had even seriously reconsidered some of them afterwards. For example, "Speech at the Enlarged Central Working Conference" had been revised by the author in 1966 and, with the consent of the party Central Committee, published for internal party circulation. Another example was "On the 10 Major Relations." This speech was edited by Hu Qiaomu under the guidance of Deng Xiaoping. Then Mao reviewed it and consented to having it circulated inside the party. After Mao's death and when Volume 5 had been edited and published, Deng and Hu had long been removed from the work. The editors could not be responsible for the selection for this volume. As for Tian, he had long before passed away.

Mao never viewed the pieces in *Selected Works of Mao Zedong* as his personal belongings. He viewed them as a pool of wisdom of the masses. He said, "*Selected Works of Mao Zedong* is not mine. It is written with blood... What is in the volumes is from what the masses have taught us. They have paid the price with blood and sacrifice.⁹ He also said that since the founding of the party in 1921 it had taken us 14 years to learn to handle internal and external party relations and to take the mass line. During that time we had sacrificed so many party members and cadres and encountered so many difficulties. Had I not gone through those struggles, my writings could not have materialized."¹⁰

After Volumes 1 to 4 of *Selected Works of Mao Zedong* had been published, in August 1962 Tian started to check them against the authoritative texts based on Mao's opinions. The annotations needed improvement in terms of both historical accuracy and style. This was because during the editorial stage, annotative work had been restrained by the availability of data and other things. Mao had long before suggested revising the annotations. This was a tough and complicated job. One had to go through a lot of data and meticulously check and edit them. Besides, one had to learn from new research. Tian was in charge of this task. He was also directly involved in it. Several comrades from the Political Research Office and Archives respectively of the Central Committee took part too. By 1965, the checking of Volumes 1 to 3 had been completed and were sent to Mao for inspection. Mao did not invite Chen Boda to take part in this task and Chen was unhappy about it. He

grumbled and spread around that in checking the annotations Tian was actually repudiating Mao's works. What nonsense! From this incident one could see what kind of person Chen was.

In 1964 the whole nation was studying Mao's works. Tian felt that the pieces in *Selected Works of Mao Zedong* were too profound for the average cadre and youth. He suggested to the Central Committee that *Selected Readings of the Works of Mao Zedong* be edited in two versions for the average cadre and the youth, respectively, so that they could grasp the standpoint, viewpoint, and methods of Mao Zedong Thought. The Central Committee and Mao both agreed to this idea. Tian was the major editor, and the selected pieces were all approved by the Central Committee and Mao. The famous essay, "Opposition to Book Worship," was first published in these two versions for public circulation. Before then, in 1958 and 1963, Tian had assisted Mao in editing two poetry selections, entitled *Nineteen Poems by Chairman Mao* and *Poems of Chairman Mao*, respectively.

Tian devoted the best years of his life and most of his energy to editing and publishing Mao's works and publicizing Mao Zedong Thought. People will not forget his contribution in this respect.

Footnotes

1. Liu Yazi: *Collected Works of Liu Yazi—Autobiography, Chronicle, and Diary*, p 365, diary of 10 May 1949.

2. A recent newspaper article mentioned how the song *Without the Communist Party There Would Not Have Been New China* came into being. It pointed out that the author of this song used "Without the Communist Party There Would Not Have Been New China," the title of an editorial in the Yanan JIEFANG RIBAO in 1943 as the title of his song. Actually, the JIEFANG RIBAO editorial was "Without the Communist Party There Would Not Have Been China." The word "new" was not there.

3. See Mao's comments on reading the Soviet Union textbook, *Political Economy*, between December 1959 and February 1960.

4. The article "Not Coincidence" by Wang Mingchao, published in DUSHU, No 3, 1988, cites from a footnote

in my article "New Interpretation of Classical Texts, Old Texts for Modern Use—Recollections of Mao Zedong Studying Chinese History and Literature," in the book *Mao Zedong's Studying of Books*, p 218. I mentioned in the annotations that Mao was able to dictate the poem *Sanchuitong* from memory and made only two mistakes. Wang said that the version of *Sanchuitong* that Yuan Mei cited in his book *Poetic Talk at Suiyuan* was the same as Mao's. He maintained that it was possible for "Mao to have come across this poem in *Poetic Talk at Suiyuan* and memorized it." I believe it was likely to have been so, for *Poetic Talk at Suiyuan* was a book that Mao liked and often read. If that was the case, there was not a single mistake in the version of *Sanchuitong* that Mao dictated.

5. For example, Liu Yazi wrote in his diary of 5 May 1949 that "Chairman Mao honored me by inviting me to a banquet. There were four guests of honor, including myself. Other guests invited to help entertain us were Mrs. Mao, Miss Mao, Commander in Chief Zhu, and Secretary Tian. It was an enjoyable occasion." See *Collected Works of Liu Yazi—Autobiography, Chronicle, and Diary*, p 363.

6. This important policy decision had a positive effect on resolving the unemployment problem in the beginning of liberation, reassuring the public, and consolidating the newly established people's regime. However, some people cannot make a concrete historical analysis of it. They negate it and link it with the later shortcomings of "everybody eating from the same big pot" and egalitarianism. I think it is unfair to do so.

7. Mao had deleted this portion of "On Formal Logic" when he included it in *Selected Works of Mao Zedong*.

8. "On Contradiction" was not included in Volume 1 of *Selected Works of Mao Zedong* in the 1951 edition. It was later included in Volume 2 of the 1952 edition. When *Selected Works of Mao Zedong* was printed for the second time, it was put in the right chronological order and included in Volume 1.

9. Cited from Mao's conversation with Bo Yibo on 24 March 1964.

10. Cited from Mao's speech at the preparatory meeting for the 8th party congress on 10 September 1956.

(To be continued.)